

CANADA'S

WEEKLY NEWSMAGAZINE

# Maclean's

FEBRUARY 15, 1999

# FUTURE SHOCK

The U.N. says Canada is Number 1. But that can't last unless we make radical changes—from lower taxes to better education.

By Mary Janigan

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# From The Editor

## A rewrite of federalism



It was hardly surprising that the premiers were willing to sign a blood oath to spend new federal money on health care as a prelude to their meeting last week with the Prime Minister at his Sussex Drive residence. The premiers were eager for the cash. They all know the health-care system is on its knees because of massive cuts in federal funding. If a symbol of their devastating effects was necessary last week, it was the sad case of 45-year-old Tim Smith from Brampton, Ont., who needs a lung transplant because of his lifelong battle with cystic fibrosis. The Sussex Accord in Ottawa coincided with the report that Smith's transplant was abandoned—along with the perfect match of donor lungs—because there was no bed in the intensive care unit at The Toronto Hospital. Canadians can only hope that the restoration of the money Ottawa cut from transfers to the provinces will help to resolve a system that Canadian deaths—and which cause protests now apparently have ended.

What was equally remarkable about last week's meeting was the agreement by all premiers, except Quebec's Lucien Bouchard, on a so-called social union statement designed to govern how programs are started and funded. As well, the premiers took an important step towards the elimination of discriminatory residency requirements in areas such as education, training and welfare services. Some of the reactions were predictable. "Le Québec se retrouve exclu," read the headline in the provincial newspaper, *Le Soleil*. And Bouchard accused the other provinces of abandoning their common front against Ottawa only because of the federal lock-out.

What troubled Bouchard will be only too happy to take the cash and cash. And he is now complaining about an agreement that actually goes as far—if not farther—than the much-maligned Meech Lake accord of 1990, the rejection of which Bouchard has always held up as a gross example of perfidy in the rest of Canada.

Why is Sussex better than Meech—or worse, if you are still in

the tiny minority that believes in strong central government? For starters, it significantly restricts federal spending power, a longtime drive of all provincial governments. Ottawa would be prohibited from introducing any new programs in areas of traditional provincial domains—health, education, social services—unless half the provinces approved. That proviso applies to both shared-cost programs, where the feds match provincial spending dollar-for-dollar, and so-called block-funded initiatives, such as transfers to the provinces for health and other social spending. (Both agreements would allow direct payments to individuals, such as the tuitionism scholarship fund.) The Meech agreement covered only shared-cost programs and did not require the federal government to secure a set level of support for new programs. "None of that was in Meech," agrees David Cameron, a professor of political science at the University of Toronto and a veteran of the federal-provincial constitutional wars. "This is better than Meech Lake."

As for Quebec, it stands to benefit in the same way as other provinces from the Sussex Accord, even if it did not sign. Bouchard made much of the absence of an opt-out formula, in which provinces could take the money and start their own programs. But while there is no opt-out, there is opting in. If, say, Ottawa gets agreement to start a national home-care program and Quebec already has one, the province could take its share of the federal cash and put the money, according to the Sussex Accord, "in the social or a related priority area." Whatever that may mean. Other provinces could do the same. What the first ministers did last week, in sum, was nothing less than rewrite Canadian federalism. Call it asymmetrical. Call it Meech 2. Call it informal, even unconstitutional. But what is most important is that it just might work.

Robert Lewis

## Newsroom Notes:

### Gathering the news

Maclean's correspondents travelled widely—literally and figuratively—in their reporting for this week's issue. Contributing Editor Mary Jensen visited the future for a look at Canada's dismal prospects if the country fails to address crucial problems—including low productivity, a weak public-school system, high taxes and the widening gap between rich and poor (page 20). Calgary Banaroo Chief Brian Beigman headed to the foothills of the Rockies to in-

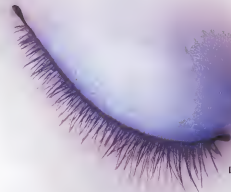


Graham, Jorgensen, Beigman: with David

terview Canadian music legend and rancher Ian Tyson (page 62). And Ottawa Correspondent John Geddes flew to Inuvik to assess the prospects for the new territory of Nunavut, which will be officially born on April 1 (page 26).

On Feb. 15, Nunavut's residents will cast their votes for their new legislature's 19 MLAs. In essence of that historic election, Geddes found optimism running high, in spite of the social problems that the new territory's legislators must try to come to grips with. "Northerners tend to pride themselves on being rebels and survivors," Geddes said. "Up in Inuvik, I met people who sometimes seemed almost embarrassed by their own enthusiasm for Nunavut—but it kept bubbling to the surface."

Arrival



Departure

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Karen Bridgman-Acker



**Gwen M. Boniface**  
Humber College  
Communications  
Ontario Provincial Police



**Val Azzali**  
Seneca College  
Co-Chairman and  
Co-Chief Executive Officer,  
The Alinta Group



**Donald C. MacKinnon**  
Northern College  
Vice-president,  
Underground Operations,  
Exxon Gold Corporation



**Karen Bridgman-Acker**  
Sheridan College  
Part-time Director, Sheridan  
College, and Social Worker,  
Hamilton Children's Aid Society

## Congratulations to all of the nominees of this year's Premier's Awards:

### Algonquin College

Kenneth A. Stewart  
Ian Millar  
Kim & Mandy  
Kirkham Graham

### College Boréal

Robert P. Annet  
Camden College  
& Martin Bayes, M.A., LL.B.  
Elizabeth Gail Stevens  
Tara Ford  
Don Polyzou

### Concordia College

C. Nancy Barish  
Glen R. MacDonell  
James A. Rudy  
Centennial College

Sebastian Paschalis  
Ivan Madanlal  
Jennifer D. Peck  
John Manary

### La Cité collégiale

Carl Peiser  
Robert E. Leonard

### Conestoga College

Karen (Doni) P. Azzali  
James Haver  
Jennifer Ernst  
Candlestick College

Rael Chouh  
William (Bill) James French  
Anne M. Gonschik  
Durham College

William (Michael) Hamilton, PhD  
Thomas Ernest Dickerson  
Joseph E. Dineen, C.E.E.

### Fincham College

Alma Lewis  
Paul David Gurnea  
William R. Miller  
George Brown College

Steven Weaver  
Jim Cascard  
Georges College

Mark Miller  
William Kikula  
Humber College

Garry M. Boudreau, LL.B.  
Vince Marie Campbell  
Marcus McQuinn, MLC/CCFP  
Barbara (Barb) Negeer

### Lambton College

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Tim W. Smith  
Carol-Lynn Chaudhry

### Loyalist College

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Laura McWaters  
Laurie Marshall, C.H.R.P.  
Jeffrey Edward Skates

### McNair College

Boop Young  
Douglas L. Harrison  
Erinise Robson  
Tony Battaglia

### Nipigon College

Debbie M. Zaccareman  
Rene Paul Gillespie, CGA  
David Wilson

### Northern College

Donald C. MacKinnon  
Claude J. Gagnon, MPA,  
M. Ph.D., AFM

### St. Lawrence College

William (Bill) Anderson  
Robert E. Leonard  
St. Clair College

Patrick M. Swadlow, OIA  
Bruce Rossman  
Robert J. Savaris

### Seneca College

Philly J. Goudas  
Steve Kuzajski  
Marilyn Wilson, Travelodge

### Sheridan College

Val Azzali  
De David French, PhD  
Suzanne Yarnhouse Roy

### Simcoe College

Karen Bridgman-Acker  
Mark G. McKenney  
Bill Paul  
Shirley Clark

### St. Seaford Fleming College

Karen L. Popenko, Ph.D./M.Ed.  
William Newman, LL.B.  
Sgt. Murray Cook-Bird

Column



# Barbara Amiel

## What makes Eddie Greenspan run

**T**he first time I wrote in *Maclean's* about criminal lawyer Eddie Greenspan was 30 years ago. He was defending a juvenile charged with the rape and murder of a 16-year-old woman. What will your defence be, I asked Greenspan. "Our position will be," he responded, "that she was lying about her age."

You could divine Greenspan's love of publicity even then, but that would utterly miss the point of the man. These days, Greenspan, 54, is analyzed through the lens of his high-profile clients and, currently, he's hot: he is a now former News Canada presenter Gerald Regan, and domestic law partner of Geri Dineen. But even before the may-chef, Greenspan, we are told by various profiles, is the criminal lawyer for the "Tiffany's clientele, he has as much 'chairs as his clients have...,' usually," he's the bully who "reduced a group of women to tears as they mapped out serious charges of rape." Sure, he's the brilliant workaholic lawyer who really knows his law. But even there his first is grudging quality, as if the writers felt that were they only to sacrifice "quality time" with their children or choose a profession where, as a journalist recently wrote, one "hangs out with a bad crowd," they too could be as famous as Greenspan.

Hard work is probably a necessary component of anyone who achieves in any endeavor, so Greenspan also has a passion for what he does. For him the law is not a job. Whether it is jurisprudential ideas or the nuts and bolts of courtroom tactics, he is enamoured of and fascinated by it. He reminds me of academics who talk of "beautiful tensions." The subtleties of his personality most certainly include "chairs," but the most important quality he has is instant. That can be taught in law school or charm school or any other school. But his most lasting quality—namely, if ever, acted-in that Greenspan actually laughs. The most gifted and talented people, and especially lawyers, are so full of themselves that they literally don't hear anything unless it comes from their own brain. Like a huge crucible in the sun, Greenspan sits, eyes half-closed and listens to his clients and to his adversaries with unshakable patience. This is no rare or so to be virtuously unachieved.

The Greenspan story intrigues me. Why is this man such a lightning rod for copy or silent praise? Part of the answer is that you cannot be a criminal lawyer without some of your clients being criminals. Some of the blame we rightly feel for criminals will run off in the defence lawyer. More important, from the "Show the World" criminal, blamed ourselves for their failings and misdeeds, a criminal justice system. It was super-liberalism run amok. Naturally, a backlash followed and we are now attaching the best aspects of our criminal justice system, such as the presumption of innocence and the rights of the accused, the very principles that

are a bulwark of freedom against an oppressive state. The backlash has also hit criminal lawyers.

Finally, we live in an individual society where a central moral level of our beliefs is easy. The minute we see someone prominent or has more money or is better looking or any combination of the three, the "money" superstar starts blinding. Any advantage is equated with unfairness. This notion is bought into unwittingly by parents who feel this cuts against the notion of equal justice for all. In fact, being a celebrity can be a disadvantage when it comes to bail or parole (in Alan Russett's words) and money may buy the most expensive lawyer but not necessarily the best—an expense known who has dealt with expensive politicians or doctors.

The idea that Greenspan has largely rich celebrity clients has been so widespread that he himself almost accepted it until he was asked to name his 50 most interesting cases. Until Regan, only a handful of them involved a celebrity. Most of the criminals he defends are nobodies—until they commit a notorious crime.

Greenspan lives in a way a socialist nation: less according to a client's means. Probably 80 per cent of the people any criminal lawyer, including Greenspan, defends can't pay full fee. Greenspan admits his fees so he can take cases that interest him. Why would he know when the investigation of Geri Dineen began that it would take five years? A client can't be charged or released because a case works out that way.

But, Greenspan has never cared much about money. What Eddie loves is the limelight. I know no one who waterworks freely on call and looks more than he does. Giving the chance to be a lawyer he and a television profile, I think Greenspan would choose the profile. I think Greenspan would choose the profile. He Achilles here in this hunger for what society offers—the applause that Yiddish calls *meir*. He is touchingly grateful for the honorary Doctorate of Laws he is about to receive from The Law Society of Upper Canada, he was thrilled to give the first Charles Dineen lecture on The Art of Advocacy last fall.

But I don't believe Greenspan will ever be offered as judge or judicial appointment in a Supreme Court of Canada seat. Greenspan will only say that he was honoured to have some securities awarded. The reason are clear: he has refused to go along with the political correctness that characterizes many politicians in the legal profession. When a section of his autobiography criticizing feminist changes to certain procedures in the law was titled "Justice in High Heels," his nervous publisher asked him to change the title. Greenspan refused. Intellectual integrity triumphed.

Though he knows that he would benefit from pretending not to notice that the expense has no chairs, he cannot do it. And when you see, as I recently saw Greenspan does, the part of the expense's entourage, that integrity is what you go to heaven for.



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## Edited by CARCY DENISE

In her long and stellar career, Dame Judi Dench has acquired an intimate knowledge of the works of William Shakespeare. The distinguished British actress has performed in so many of the Bard's plays, in fact, that he is known in her household as "the gentleman who pays the rent." Dench now has the opportunity to repay that debt. While portraying Queen Elizabeth I in the widely applauded but largely fictionalized *Shakespeare in Love*, she became maneuvered with the film's full-size reconstruction of the Swan Theatre.

It was so taken with the whole thing that they actually gave me the replica," Thorne explains. The set built at London's Shepherdson Studios, was designed to imitate the bird-thatched and tiled galleries of the original Rose Theatre, where Shakespeare's early productions were staged before the more celebrated Globe Theatre was constructed in 1599 in Southwark on the south bank of the Thames. Thorne, who first won notice for her portrayal of Ophelia in a 1997 production of *Hamlet* on the artistic board of the new Gai, is located close to the site of the original Shakespearean theatre. She hopes that something



Grooming in a hair salon, Shale Gossop was an enthusiastic fan of the latest *Time*-Cats of the Coast. And even as the federal heritage minister, she graciously displays a "fossil" bracelet in her Parliament Hill office.

But on Jan. 31, Gossop set aside her preference for Canadian-style toothbrush to attend a Super Bowl party at the Glaxo warehouse of Gordon Giffin, the

discovered during the game, the minister's spokesperson, Jacques LeBel, told *Maclean's*. "You couldn't characterize the party as an official event," he says.

But the Canadians were not a taste of the American way of life.

They may be in for another taste of C-55 as expected, as Gossop, during the current session of the Commons. U.S. officials have threatened to impose



Goopac Fintona's  
day, see a day

**Week's day** (Continued from C-1) chism exports, such as steel. But on Super Bowl Sunday all the jostling was concourse. Several senior-level bureaucrats, as well as officials from the Prime Minister's Office, attended the ambassador's party. The heritage minister cheered for the underdog Atlanta Falcons, who lost 34-15 to the Denver Broncos, a wise choice given that Griffin is from Atlanta and a rabid Falcons' fan.

discussed during the game, the minister's spokesman, Jacques Lefebvre, told Maclean's "You couldn't characterize the party as an official meeting," he says, "but the Canadians were just a taste of the

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Best! Sandy all the jutting was concrete. Several senior level bureaucrats, as well as officials from the Prime Minister's Office, attended the ambassador's party. The heritage minister chaired for the underdog Atlanta Falcons, who lost 34-15 to the Denver Broncos, a wise choice given that Giffis is from Atlanta and a rabid Falcons' fan.

Historians trace the custom of sending an affectionate note to a friend or loved one on Feb. 14 to the Middle Ages. They say medieval Europeans took their cut from birds, who were thought to begin mating on that day. Whatever its origins, the practice has not only endured but become a bonanza for the greeting-card industry.

Some Valentine's Day facts:

♥ Canadians give out an estimated 50 million Valentine's cards annually, compared with 300 million Christmas cards and 160 million birthday cards.

♥ Teachers are the number 1 recipients of Valentine's Day cards.

♥ More than 80 per cent of men buy cards for girlfriends or girlfriends at the last minute

Canada's tiny spruce swarms a year, completing about a year, but the fact remains that, for most, there is no escape, not even a brief respite under the southern sun. When Canada's pine needles, by comparison, of 2,000 adults.

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## DOUBLE TAKE

### The Diodes

While punk rock has earned its upky listed hard as the late 1970s, The Diodes were the heroes of Canada's leather-and-safety-pin set. Art students from Toronto, the four members made their performance debut with little new-wave experience, opening for New York City's Talking Heads at the Ontario College of Art. Almost immediately, The Diodes were signed to a major record deal. In the fall of 1977, they became one of the first punk bands to release an album—at the same time as The Clash and several months before the Sex Pistols. The group's next record, an album of Paul Simon's that Shalini had been the first punk single to make the Canadian charts. Even bigger was the band's own antiheroic *Time of Making up Time*, which became a hit the following year in both England and the United States. "The Diodes spawned the whole punk scene on Toronto's Queen Street West, can convert their rehearsal space into a club—the Crash 'n' Burn. Critics applauded The Diodes' thoughtful lyrics, which Morrison described as

Glocke from front, Gots, Robinson, Langrell, Morrison and Mackay, and in 1979 they acquired a reputation as troublemakers

1977 as being about "the poetic lives of the suburbs." And they acquired a reputation as troublemakers after several shows ended in fights and one in a riot. "We were never violent," insists Paul Robinson, "just a bunch of really nice art students who played very loud music." The high volume ultimately caused the Crash 'n' Burn to be shut down, when the landlord received complaints from the Ontario Liberal party, another tenant. After three albums, The Diodes disbanded.

Although the group has not played together for more than 20 years, it reunited briefly last month in Toronto for the CD launch of *Time of Making up Time*, a collection of their recordings, and to perform on CTV's *Great After* with Mike Ballard. But their punk days are now behind them: Robinson, an art dealer, and former guitarist John Catto, a computer consultant, are both married with children and living in London. Bass guitarist Ian Mackay, now a computer software executive, and drummer John Harshbarger, a teacher, settled in Toronto. A second ex-drummer, Mike Langrell, lives in London, Ont., and plays professionally for a film band. How would the band like to be reactivated? "The Diodes were there when punk began," says Robinson. Adds Catto: "We were a band first and something to say and add it."

NICHOLAS JENNINGS

## BEST-SELLERS

### FICTION

- 1 *Blindness*, José Saramago (D)
- 2 *Imagined*, Iris McEwan (B)
- 3 *The Love of a Good Woman*, Alice Munro (D)
- 4 *Julia the Night*, David Kennedy (D)
- 5 *The White Noise*, Barbara Gribble (A)
- 6 *The English*, Michael Ondaatje (D)
- 7 *The Testament*, John Grisham (D)
- 8 *Secret from the Night Side*, Stuart McLean (D)
- 9 *Southern Cross*, Patricia Connolly (D)
- 10 *A Man of War*, Tom Hall (D)

### NONFICTION

- 1 *Life Strategies*, Philip Moore (D)
- 2 *The Professor and the Madwoman*, Susan Wicks (D)
- 3 *Thalidomide*, Caroline Alexander (D)
- 4 *Bliss*, John C. Freeman (A)
- 5 *The Ice Storm*, John Updike (D)
- 6 *The English*, John Updike (D)
- 7 *Black Tide*, Simon Greenleaf (D)
- 8 *The Unlikely*, Terry Gold (D)
- 9 *Beauty and the Beast*, William Boyd and Helen Fielding (D)
- 10 *The Enemy*, Peter Jackson (D)

11 *100 Years of the World*, Compiled by Bruce Bicknell

## Hot on divorce

Divorce is a hot topic in publishing these days. In the latest such book, *Falling: The Story of One Marriage*, former *Esquire* magazine writer John Taylor begins with his wife's announcement, "We have to separate." He then provides a compelling account of the emotional anguish and moral dilemmas that almost every divorcing couple encounters.



# Passages



**DIED:** Exotic dancer Lili St. Cyr, 80, of a heart attack, in Hollywood. A Minnesota-born former chorus girl, she rose to fame as Queen of the Sings in 1940s Montreal. After she was acquitted of obscenity charges in a sensational 1951 trial, she left Montreal and appeared in a string of B-movies.

**SENTENCED:** Former heavyweight boxing champion Mike Tyson, 32, to one year in prison, in Rockville, Md., for sexual assault following a minor three-vehicle accident last August.

**RECOVERING:** Golf legend Jack Nicklaus, 59, from hip replacement surgery, in North Palm Beach, Fla. Nicklaus will be on crutches for six weeks, but doctors say he should be able to compete again.

**DIAGNOSED:** NFL all-time leading rusher Walter Payton, 44, with a rare liver disease that could be fatal unless he receives a transplant, in Chicago.

**AWARDED:** To celebrate his 43rd birthday, who is best known for a 1997 recording of solo cello suites, titled *Inspired by Bach*, the \$50,000 Glenn Gould Prize in Toronto. The award is presented every three years to an artist who has made an exceptional contribution to international music.

**REINSTITUTED:** Canada's national men's basketball coach Steve Koonchick, 53, who was fired following the team's 12th-place finish at the 1996 world championships in Greece, by a three-member appeal panel in Toronto.

**DIED:** Raging bear and philanthropist Paul Hellen, 91, at his home in Upperville, Va. The son of Pittsburgh financier and industrialist Andrew Mellon, he donated hundreds of paintings to the National Gallery of Art in Washington and established the British Art Center at Yale University in New Haven, Conn.

# THE WHOLE WORLD IS WATCHING TRUMAN.

"The Truman Show is a miraculous movie!"  
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# Grand Ambitions

The finance minister faces calls for budgetary boldness

BY BRUCE WALLACE

How distant those first budgets must seem to Paul Martin now: the thrill of the battle when there was a deficit to kill and the country to be rescued from the falling flames of bankruptcy. The finance minister lives his politics on a scale to match his own grand ambitions, which presents a bit of a problem as he works late into these winter nights doing the final math on what will be his sixth budget. Martin has never been satisfied with tinkering, but the 1999 federal budget—to be delivered on Feb. 26—is shaping up to just that. While Canada's long-term economic plight may be a staple at the financial pages, the budget will be essentially a short-term political exercise in celebrating the proper use of money but erasing the dose of new health spending promised to the politicians but not—enough, it now seems, to let the budget match its billing as the one to save medicine.

The combination of pre-budget consultations and media leaks Ontario's finance department loves to float trial balloons through the press before later stove-pipe and modify the suspense until budget day. Barring a last-minute demand from Prime Minister Jean Chrétien to hand another legacy-style project like last year's \$3.5-billion milk-income scholarship fund, what Canadians will see when Martin presents the numbers is pretty well what they already know: there will not be money for any major new initiative other than health. "There are a lot of go-it-the-sky projections of surpluses out there," he told *Maclean's* last week, repeating his mantra to lower expenditures and keep the spending review in cabinet away from his door. "Some of them are sheer escapism."

Ottawa's own forecasts of this year's surplus have been lowered from \$20 billion to about \$7.5 billion. Martin's critics contend the Liberals are artificially lowering the size of the surplus by gutting future spending on this year's books—like last week's promise of a "no-standards" cost-benefit analysis at the Prime Minister's conference on the social credit union (page 38). The finance minister, in turn, may prove the numbers are all because so one has had to measure a surplus for 30 years, so no one knows how to do it accurately.

Either way, he is not about to be blown off his campaign course. His message, expect a modest budget for modestly better times. The global economy is simply too precariously balanced for comfort, and Martin has been front and centre among those ringing alarm bells. "When the fiscal crisis hit you wouldn't believe the number of calls I

got from people saying, 'Hey, you were right,'" Martin crowed in his 25th-floor office overlooking Ottawa's so-called downtown. "We live in a pretty volatile world, and I think people understand that."

This is the bright new day Canadians were looking forward to? Budget surpluses were supposed to usher in a golden era of falling personal taxes and flesh government services. Instead, Canadians have emerged blinking into the post-deficit light to confront a host of gloomy prospects: stagnant growth, shuffling government pensions, and the latest salvo from economists' falling productivity, which is just their way of saying Canadian living standards are dropping compared with our First World neighbours. Meanwhile, the world's global economy is looking like a jungle, with our economic health threatened from the most unexpected quarters. What is the benefit from a borderless world, many argue, when it means you pay further unaccountably free-riding European politicians?

The near outlook is an especially bitter pill for Canadians who have expanded and adapted to every economic challenge thrown at them in the past decade. The country accepted free trade with the United States, wrung inflation out of the monetary system, and widened the holes in the social-safety net to get the deficit down. All to be told Canada's standard of living has fallen farther behind that of Americans and that a new crusade to improve productivity is needed to fix it. The Liberal government must face the possibility that Canadians may greet such calls with sceptical fatigue, though Martin insists they will respond to the challenge. "There is no promised land," he warns. "The nature of the world is which we live in that you are going to constantly be winning battles. If you stop, you'll slide back."

The Reform party thinks it has the solution to slugging: bring standards of taxes, dramatically, now. Opposition Leader Preston Manning calculates that Ottawa's impending surpluses will be big enough to allow him—were he prime minister—to cut taxes by \$38 billion, as well as pay off \$13 billion of Ottawa's \$88.8-billion debt in three years. In the House of Commons last week, he blamed the federal debt to "rats gnawing at the vital organs and nerves of the state." There is a long list of all economists who agree.



A CAUTIOUS COURSE: Martin's budget for 1999 will largely be an exercise in tinkering

But Reform's radical dovetailing position may have as much to do with joining out a distant identity in the job of marketplaces as it does with economics. For too much consensus exists in Canada's any opposition party's blang (page 38) into health care over three years—no one can get elected if voters think they will kill medicine? The Liberals have been adept at tinkering the centre ground. Calls to save the health system mount? Ottawa finds the money. Taxes are too high? The Liberals promise to get them down,

though not on Martin's timetable. "People who want to cut taxes massively and spend massively don't want to confront the fact that you can't do it," Martin fires back. "When you say you can cut taxes to the level of crippling government because they don't think government has any role to play. Well, I do."

But the Chrétien Liberals have never been good at articulating a clear vision of what they want government to do in a post-deficit environment. They have never laid out the possibilities in occupying a way as U.S. President Bill Clinton did last month. Despite his horrendous political troubles, Clinton delivered a clear-to-the-point vision of the American future at his state of the union address. He painted a world where educational standards and education kept forward, pensions were saved and government could even keep more children from smoking cigarettes. "There is no doubt about the strength of that vision," agrees Martin. "But that budget is far here and now."

Yet Martin is not to let his day-sky reversal of his own, and chaos while he awaits his crack at the country's top job when Chrétien finally retires. The finance minister did trade some wider theories at the Liberal policy conference in Ottawa, last, last summer, a speech notable for its spirited defense of the government's role in a global economy. "There on the far right tell us that in an era of globalization social programs represent a cost we cannot competitively assume, and thereby lead to lower productivity," Martin told his listeners. "Not only are these arguments flawed, they fundamentally miss the point. Universal access to high-quality medical services, for example, is key to making our full potential as individuals and as a country. No one can take on the challenges of the new economy while preoccupied with the availability of basic care. No parent of an ill child. And no child of an ageing parent."

Martin also comes across when the topic turns to the need for a modernized international regulatory system in global issues that many people see as the winners of free-flowing capital. The subject appears to both his own inclination for western policy debates and grand schemes to change the world. Foreign ministers may add wrangle with how to end wars in the Kosovo and Angolan at the world, but in most of the First World, national security is directly related to economic security. And that has propelled G7 finance ministers into the role of their country's most important foreign-policy actor.

In struggling to create a new shock-absorbing global economic system—the so-called international financial architecture—finance ministers have become the Metetrachs and Catagorians of the 1990s. "It is crucial for Canada that we establish, on an international basis, the same kind of institution that rules the market open market at home," says Martin, who likes the analogy. "That is an important for Canada's ongoing economic health as almost anything." But the tale of challenges to our economic security is long. And every policy could just seem to reveal a new enemy, on yet another battlefield beyond. □

# Future Shock

BY MARY JANIGAN

It is the dawn of the third decade of the 21st century—and Canadians are grudging, anxious, perceptive and astute people. The good old days of the late 1980s seem very far away. International saving has been escalating for almost 10 years—ever since the first baby boomers started to turn 65 in 2011. Those older boomers are in their 70s now. And they are starting to place enormous demands on the medical and social systems. You after you, there have been lower working-age people for each elderly person—and that number is destined to keep steadily shrinking. Younger Canadians are working longer and harder to support ever-growing legions of pensioners. The tax burden keeps mounting. Real incomes are dwindling. Tensions are high—and resentment has almost become a way of life.

These signs, most Canadians have become steadily poorer throughout the second decade of the 21st century. In 2020, Canada's standard of living has slipped well below the average of the 20 members of the Paris-based Organisation for Economic Co-operation and Development. Most Canadians can only look enviously at the sophisticated appliances that consumers in other industrialized nations can easily afford. The economy is not very productive—a trend that was already apparent in the 1990s. Because taxes are high, private capital is scarce. Because the economy has stagnated, the debt-to-GDP ratio is one. Canadian exports are uncompetitive because spending on research and development is negligible. Trade is dwindling. The well-educated who have hatched the skills are wealthy—and their share of the nation's income is enormous. But the ranks of the lower-skilled are now large—and their incomes are paltry. The middle class is eroding, a trend that was also apparent in the late 1990s.

The shape of tomorrow's economy is already vaguely visible through today's darkened glass. But can Canadians avoid that nightmare scenario? On the cusp of the millennium, as Finance Minister Paul Martin points the 2009-2010 budget, everyone should be aware of the challenges they face—and the hard choices they must make. How can the uncompetitive tax burden on today's workers be eased after a decade of wrenching declines in after-tax incomes? What political today's debt will hang over tomorrow's workers? How should scarce resources for pressing requirements in research, health care and social programs be allocated? It is a delicate balancing act. "If you ask me for one reason [for the decline in productivity], it is because we have not matched the United States in increasing our penetration of the new economy,"

Canada must take action now in order to stave off economic decline in the new millennium



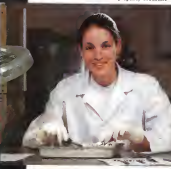
Finance Minister Paul Martin told Martin told Martin, "What we have got to do as a government and as a country is focus on innovation as the underlying foundation for long-term growth."

Time may be on Canada's side. In the short term, the first 10 years of the next century could be relatively prosperous. The employment rate has already dropped to an astonishing 7.4 per cent in January—the lowest since June, 1990. Last week, Statistics Canada also reported that 82,000 full-time jobs had been created in that month for the seventh straight month. The bulge of baby boomers—that largely North American generation born during the exhilarating decades of postwar prosperity between 1945 and 1965—will be seeing far retirement, pushing up stock prices. Although the danger of worldwide currency turmoil and recession will remain, growth could be generally steady—and respectable. Many experts, in fact, agree with the OECD's prediction that Canada's economy will grow at an annual rate of three per cent to 3.50%—almost double the average expansion over the 1990s.

It is in the longer term that the nation's economic and social prospects are bleak. The OECD predicted that Canada's standard of living will slide increasingly below the OECD average over the next two decades. It compared Canada's overall productivity during the 1990s—that is, the volume of output divided by the capital and labour used to produce it—with the other G-7 industrialized nations such as the United States and Germany, and with five other OECD member nations such as Australia and Norway. "Canada has not kept pace," the report noted. "Productivity has declined—an experience which is shared with no other country in the club."

Other signs in the data that disparities among income groups in Canada have been growing throughout the 1990s. High-earning individuals have a greater share of the nation's wealth. Middle and lower-income Canadians are gradually slipping. "There is every reason to be concerned," warns Queen's University economist Charles Beach. "Canada could become harder to govern because consensus is harder to attain. And it could become a more easily lit match place in terms of social quality of life."

**PREPARING FOR CHANGE:** For jumps, continued retreating may become the norm



millionaires and those who predict antediluvian prosperity in the 21st century—provided we nurture our knowledge-based workforce. Canada can improve its productivity. Current trends in population, taxes, education and training, research and development, and income distribution can be turned to tomorrow's economic advantage—starting with the coming federal budget. Moreover, a national problem—which are all increasingly linked—to which the OECD and other policy experts encourage prompt attention.

## THE AGING POPULATION

The Canadian economy is to become more productive, the number of workers compared with the number of non-workers must be increased. But the trend is heading in exactly the opposite direction, over the next 30 years, over 10 million workers may be retiring every year. In 1998, there were 5.4 working-age persons for every senior, who was 65 years of age and older. In 2020, there will be 3.8 working-age persons for each senior citizen. In 2030, that number will plummet to 2.9.

Part of the problem lies in the sheer number of baby boomers—one of the largest in the industrialized world. In Canada, they now comprise about 20 million people—or fully one-third of the population. Canada is clearly an aging nation: last year, about 12 per cent—or more than 3.7 million of its 30.3 million people—were 65 and over. By 2030, about 22 per cent—or about 8.8 million people—will be seniors. (Japan is already an aging society—but the transition across the generations has been smoother because its boom was less pronounced. In the United States, the population is also aging, creating potential problems for the Social Security system.)

Still, the actual number of baby boomers would not be a major problem if fertility rates had not dwindled drastically after 1965. An University of Toronto demographer David Foot has chronicled in his 1998 book, *Boys That 6: Boys 2000*, fertility rates plummeted between 1967 and 1979—producing only 2.6 million offspring. The boomers first created their own horde of 8.1 million children—only two-thirds of the size of the over-65 generation in 1986 and 1987. Since then, the number of women of childbearing age has declined sharply, the number of women of childbearing age has declined sharply. Fertility rates have averaged 1.6 children per woman—well below replacement rates of 2.1 like European

average in about 1.4—while Japan is 1.0. "The baby boom bulge could have been readily absorbed if fertility had not continued to decline—60 steadily and so fast," maintains Queen's University economist Martin Melillo. "And that is where the source of the difficulty lies."

An aging population is expensive. Retired Canadians generally have lower incomes—and pay lower taxes. They are heavy users of the health-care and pension systems. To support the boomers who are they retire, maintain Canada Pension Plan premiums are escalating: they are now \$1,136.90 per employee—in 2010 \$1,668.80 last year. They will be at least \$200 higher in 2020. Meanwhile, old-age pensions are already constant about one-third of federal program spending—and Ottawa warns that such costs will "grow rapidly" by 2030.

In fact, the solution lies in the continued strength of Martin's determination to tackle Canada's other looming obligation: the ever-mounting debt of \$370 billion, which required more than \$43 billion in interest charges in 1998. 1999. That debt has already declined from \$383 billion in 2006-2007. Even better, this shrinking in relation to the size of the economy is 69 per cent

of gross domestic product in 1988-1989—down from 71.9 per cent in 1985-1986. If such trends continue, interest charges will consume an ever-increasing proportion of new issues—leaving more money available for pensions. “Martin is heading in a good direction with the debt,” affirms Malcolm Hamilton, a pension scholar at William H. Meyer Ltd. “I hope he keeps it up.” That will mean that when pension costs go up, our children won’t notice it because they will be paying much less interest on the national debt.”

But the best way to head off intergenerational warfare between tomorrow's working-age population and its seniors is to encourage the baby boomers to retire later, and perhaps only gradually, so that they keep earning an income—instead of drawing pensions. Martin could dispel the prospect of retired pensions at a later age. He could work with the provinces to change the way payroll taxes such as CPP premiums are calculated. At present, employers and employees pay fixed premium amounts up to a maximum salary limit—so that it costs more to hire additional employees than to pay overtime to existing ones because overtime payments are usually beyond the income range to which premium charges are applied. “The priority has got to be broader retirement policies as a way to avoid intergenerational conflict,” argues Frost. “We must encourage the boomers to continue to work part time. That way we make room for young people—but we don’t throw away the boomers’ experience.”

That solution might suit a population that is living longer and healthier lives. At 57, David Clark borrows every year to tack money into his registered retirement savings plan. But although such profusion—and his company's solid pension plan—will allow him to live comfortably as he retires, he cannot picture himself without work. Instead, he wishes he could eventually scale back the hours at his demanding job as a senior adviser for corporate communications with Petro-Canada. Or, at 55, he could work from his home as a writer. “I think I would want to work as long as I have something to contribute,” he says. “I don’t see why that should end at 60 of somebody in good physical shape.”

## TAXES

Tina Paquette, 36, of Iroquoia, Que., counts herself among the leader of the baby baby boomers. After studying communications at Montreal's Concordia University, he joined his family's set of service companies which worked largely with legal and accounting firms. Five months ago, he formed his own business, C.N.D. Imaging Products Inc., which manufactures laser print cartridges. Paquette says his “workaholic” — comes in a top support his wife. Cindy, who works part-time at a law firm, and their two young children. But taxes are taking their toll. “I find that the more I make, the less I make—because the tax rate is so high,” he says. “I am working 70 hours a week, sometimes 80, just to make ends meet and to get a little bit in the bank.”

Canadians do not just feel poorer: they are poorer. The Royal Bank of Canada calculates that real disposable income per person dropped to \$16,325.17 in 1996, down from \$17,280.28 in 1990. That figure says that up to \$16,325.17 this year—and reach \$16,275.29 in 2000. But even Canada will remain substantially poorer than when the decade began. The OECD notes that Canada's tax burden is about 36 per cent of the size of its economy—near the OECD average, but almost 30 percentage points higher than its largest trading partner, the United States. The share of personal income taxes alone is about four percentage points higher than in the United States.

Such high tax loads could encourage Canadians to retire at an earlier age. With their children grown and their mortgages discharged, they might decide that they could live comfortably on a reduced income—because their expenses are now lower and their taxes would be lower. “The

## THE REVENUE BITE

Total tax revenue as percentage of GDP for Canada and selected members of the Organization for Economic Co-operation and Development



TEACHING SKILLS: Government should pay education more than pay

system encourages people to work and save for the purpose of retiring early—and that is what they are doing,” says Hamilton. “If Martin keeps going this way, in the second half of the next decade the high-income end of the baby boom—the people who are being taxed to death—may decide that it just isn't worth it. The tax base could erode surprisingly quickly.”

Worse, the OECD notes that high Canadian taxes could tempt firms and skilled workers to relocate south. Ottawa's well aware of the potential risk: a federal tax rate increase with U.S. immigration officials this month in a bid to establish just how many skilled Canadians are migrating to the United States on temporary visas. Statistics Canada told Merdon that the number is currently estimated at somewhere from 12,000 to 20,000 people per year, including highly trained engineers and high-tech workers. That figure is in addition to the approximately 9,770 workers who permanently emigrated in 1996—compared to 3,500 U.S. workers who immigrated. “It is important that the cabinet watch out as a policy to lower income tax,” says Royal Bank chief economist John McCallum. “Directly, that will give higher living standards. Indirectly, it might make the economy more efficient and productive. And the stimulus would help sustain growth.”

But Martin must eventually do more than simply tinker with the system. In fact, given the trends, Canadians will inevitably be engaged in a painful debate over what kind of taxation system—and what kind of society—they want. The parents of the baby boomers are now transferring their substantial and hard-earned wealth to their children. Although capital gains taxes apply to the bulk of their estates, such as equity funds, there has been no tax on the family home since estate taxes were abolished in 1972. Should inheritance taxes resume to capture that substantial wealth? And in older, relatively wealthy Canada, does price increasing demands on the health-care

system, should taxpayers pick up the cost of their own care?

Meanwhile, older baby boomers are saving for retirement. Should Canada introduce a wealth tax—to capture some offshore funds? Most workers face higher taxes on income than assets—because capital is increasingly mobile? Should there be a single cross-Canada harmonized sales tax—so that provinces can collect that tax on goods that are sold through electronic commerce? Or present, firms are only required to add federal sales taxes to out-of-province sales. Should government still thrive—and if so, by how much—to live up resources for private investment in an attempt to boost productivity?

Such questions will plague future governments. David Perry, senior research associate at the Canadian Tax Foundation, says Martin should not introduce major tax cuts until he examines the entire system. That way, if he decides to change the structure, he will have enough time to ensure that aimed reform emerges as a winner. “For tax budgeting, for the most part, Martin should just say ‘No,’” he says. “He should not give away major money to someone when he is almost certainly going to have to introduce major reforms.”

## RESEARCH AND DEVELOPMENT, EDUCATION AND TRAINING

Kate Jennings, 22, will graduate with a science degree from the University of Western Ontario this spring—but she already has a short-term job in the campus biology lab, dissecting brains for researchers who are studying the health of various species. To get a full-time job, she plans to move to British Columbia this fall—because the field job she relishes are more plentiful there. By 2030, she dreams of being a research director—and that requires postgraduate training. Even if she does not go back to school, she must continuously remain throughout her entire working life—simply to keep up with discoveries. “I know that I am very adaptable; after all, I am willing to move to find work,” she says.

## SCHOOLS STILL PREPARE PEOPLE FOR THE OLD ECONOMY



CAREER CHANGES: Rickard plans to start his school in the fall, despite the financial stress

“And we learn new things all the time from the research papers.”

A well-educated workforce can provide more marketable skills and produce ever more sophisticated products, which attract domestic and international purchasers—and promote economic growth. Indeed, a staggering 86 per cent of Canada's economy is linked to imports and exports. Since 1980, the value of Canadian exports has almost doubled, in 1997 alone, exports were worth more than \$300 billion.

But exports only improve with more skills—such as those spending on R and D has been relatively pitiful. 1.6 per cent of the size of the Canadian economy in 1985—compared with well above two per cent in the United States. Since 1980, Ottawa has cut more than 20 per cent—or 890 million—from the National Research Council's annual budget. NSC president Arthur Carty is asking Martin for an additional \$20 million per year over the next three years, plus extra money for the information research areas: biotechnology, aerospace, fuel cells, nanotechnology and the environment—plus a new research, knowledge network. “Productivity is linked closely to innovation, which is closely linked to investment in R and D,” he says. “Knowledge is critical to the economy.”

That prescription applies to the entire work force. Although the number of Canadians with a postsecondary degree is steadily increasing, not everyone will go to university college or university in the early 21st century. More than 50 per cent of today's youth will rely on a secondary school and secondary vocational training in finding their way. The OECD bemoans the fact that Canada has a relatively high proportion of less-educated individuals with poor literacy skills. High school dropout rates have averaged 27 per cent—about the same as the United States but well above the list from the OECD average of 15 per cent. The future of many of tomorrow's less-educated workers appears that, in 1996, 69 per cent of secondary graduates were in the lower forces—compared with only 16 per cent of high school dropouts. “Every time the labor minister gives a speech, we always get an talking about education and how to foster lifelong learning,” OECD secretary general Donald Johnston told Merdon. “That's how you get productivity from a good basic education. People can then educate themselves.”

Experts warn that the primary and secondary school systems are still preparing students for an old economy. That is the Cullen of 1990, and Learning: a Toronto-based educational think-tank, notes that less than half of the workforce will be in the traditional 40-hour jobs within the next decade. Students must emerge from high school with employability skills: numeracy, literacy, computer literacy, the ability to solve problems and to communicate effectively and work in teams. They should take company systems courses in career guidance and management. And they should learn how to keep their skills up-to-date for the rest of their lives. “Public education is in a crisis,” says the colleague's president, Cecilia Ehrenworth. “The fastest-growing part of the labour market, for example, is self-employment. Yet the majority of education is preparing people to be employees.”

Ehrenworth, of course, is a provincial responsibility. When Martin announced the \$2.5-billion Canada Millennium Scholarship Foundation in last year's budget to provide postsecondary grants, provinces protested bitterly. But many experts agree that education will be two times faster in the 21st century to be held to a single level of government. Instead of unilateral federal action, though, both levels of government should find novel ways to work together: upgrade the entire system, from kindergarten to graduate school. “How can you have a successful country that is go-

ing to be internationally competitive without hollowing out college governments," says an unrepresented spokeswoman.

That co-operative approach—as opposed to two levels of competing bureaucracies—should also apply to training. Over the past two years, Ottawa has signed agreements with all provinces except Ontario to define how active employment programs such as targeted wage subsidies will be delivered. In June, it will also completely reform from paying educational institutions to provide labour market training. The move makes sense—because it allows provinces to tailor their education, welfare and training systems. But there is one mechanism to ensure that individual qualifications are recognized across the nation, and that roughly similar standards are applied. "We have no coherent approach to the most fundamental policy, which is knowledge policy," says Sylvia Ostry, distinguished research fellow at the University of Toronto's Centre for International Studies. "The whole question of education and training and research should be a national priority."

If nothing else, such requirements could push Martin and the provinces to find further ways of lowering the costs of going back to school—and thus increasing employability. Leanne Blackman, 27, an assistant to a Halifax stockbroker, already has degrees in arts and science and education. But she plans to start law school in September—with the help of student loans. The financial stress is wearing. "People find that they are going to have more than one career and they are preparing for it," she says. "That nobody I know thinks that you can leave retirement to government anymore. So people are getting out of school with debt loads, scrambling to juggle their student loans while trying to make it on their RSPs."

## SOCIAL INEQUALITY

Societies thrive when they have a large and prosperous middle class. The difficulty is that the wealthy are becoming wealthier in Canada, and everyone else is becoming relatively poorer. The top fifth of income earners—those who earn more than \$80,000—have increased their share of the nation's wealth to 47.3 per cent in 1998 from 45.4 per cent in 1990. The bottom three-fifths have dropped: middle-income earners declined to 15.6 per cent from 30 per cent—an especially worrisome shift that threatens the financial stability of millions. "There is every reason to expect that this will carry on apace well into the next decade," says economist Bruch.

No one really understands why this is happening. But experts believe wealth is tilting toward Canadians who can cope with technological change—and who have skills, such as high-tech expertise, that are in global demand. So let's make the experience in the United States and Great Britain, the income gap between the less educated and the more educated has barely widened. But, for the past 20 years, successive waves of young people are earning less in real terms than the generations before—and they are not catching up as they grow older.

University of British Columbia economist Craig Riddell says the school system is still at equipping students with the necessary skills. "This is one of those periods in history when there are really major changes in technology that affect how we produce and consume goods and services," he says. "Over these changes have worked their way through the system—our schools. How many years that we take—over the changes that we teach in schools will be very different. It is not the you have to take people who needed 12 years of education in the past—and give them 18 years. It is just that the content will change—as it did with the Industrial Revolution."

Ottawa is preoccupied with this dilemma—if only because it cannot simply take the best and skilled to give to everyone else. To help the least skilled, it is funding two pilot programs by the Ottawa-



CALL FOR RELIEF: Payroll tax hikes are taking a toll

based Social Research and Demonstration Corp., each encourages long-term welfare recipients or employment insurance claimants to accept one or two paying jobs by supplying them with the income for a set period. The idea is to get people back into the workforce—where they can exercise rusty skills and learn new ones. If those schemes work, they are a vital part of the future. "We are putting more money into the hands of poor families and encouraging welfare," says executive director John Greenwood.

Perhaps the most innovative suggestion comes from Paul Hoffer, director of Toronto's CofTech Research Centre and author of *The Right Right*, which explains new technologies. "You walk out your front door and there is a road to a network of transportation," he says.

It is surprising to me that there hasn't been less and cry for more roads, government should make sure that your home is connected" (An estimated 28 per cent of Canadians use the Internet—compared with 25 per cent in the United States and 34 per cent in Germany.) In the meantime, he says, Martin should ensure that all Canadians have access to computers in schools and libraries. Job seekers, for example, could take training or look up job listings, finding work anywhere across the country. "Many of the people who would benefit the most could be less of a burden if they had connectivity," he says. "Basic connectivity should be guaranteed to every citizen in the future."

In the end, economists can only say what could be. If nothing is changed, if the status quo persists, the OECD forecasts a gradual slide in Canada's per capita income—from 70 per cent above the OECD average to about 25 per cent below average around 2030. So the status quo is high. Canadians are partly proud of their living standards, and partly proud of their societal harmony. Such conditions require high rates of economic growth. Canadians should be working with great attention when Martin rises in the House of Commons on Feb. 16 to take his first speech along the highway into the next millennium.

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# 'A new departure'

**After many delays,  
the social union train  
finally leaves the station**

Even Lucien Bouchard's glowering gaze could not entirely soothe the mood. In announcing a deal to overhaul the way Ottawa and the provinces work together on social programs, Prime Minister Jean Chrétien spoke proudly of "a new departure." Saskatchewan Premier Roy Romanow quipped that the agreement is "98 per cent of the solution to Canadian unity," while Ontario's Mike Harris crowed that it was "a landmark day." And so it went for some of the 16 premiers who lined up on Feb. 4, shoulder-to-shoulder with Chrétien, on the front steps of 24 Sussex Drive. The exception was Bouchard, who was there to announce his refusal to accept a pact that fails to grant Quebec's demand for full compensation if a province decides not to go along with any new national social program.

Yet the Quebec premier was not quite the odd man out. He was, after all, accepting a side agreement on health care—a meeting of minds that paves the way for Ottawa to transfer billions of dollars more to all the provinces.

After more than a year of talks on the high principles of social policy, it was high finance that sealed the deal. Ottawa and the provinces have been trying to hammer out an accord on Canada's social union since late 1997. A breakthrough seemed to come last summer, when Bouchard signed on to a bargaining position with the other premiers. After that, though, progress was spotty. By late January, Quebec Intergovernmental Affairs Minister Joseph Facal was fuming that he had "not seen a millimetre of movement" toward reaching his key demands. But Chrétien intervened to get the process back on track early last week. He invited the premiers to Ottawa for a final bargaining session—promising that he would be putting big money for health care on the table.

Money has always been at the heart of the social union debate. The provinces first decided to push for new rules after Ottawa slashed their transfers for health, education and social assistance in 1995. They discomfited with the status quo grew last year, when Chrétien poured \$2.5 billion into his new millennium scholarship fund, a move some premiers viewed as a blatant intrusion into their jurisdiction by the federalists. In last week's deal, however, they got no promise that Ottawa will refrain from unilaterally cutting transfers in the future—only a commitment for one year's notice of any "significant funding changes." Similarly, when it comes to direct payments to individuals, like the new scholarship, the federal government promised only to give the provinces "three months' notice and an offer to consult."

More significant was Ottawa's compromise on how any major new social program would be designed. Under last week's three-year deal, at least six provinces would have to agree before any program could be launched that involves federal transfer pay-

ments to the provinces—such as a national home-care or a pharmacare plan. The two levels of government would have to agree in advance on the objectives, but each province would be left to work out the details of its own part of the program. And if a province was already accomplishing the aims of the new nationwide program, it would still receive the full amount of new federal funding—as long as the money was spent in a related area.

Those terms fell far short of Bouchard's demands. He said to Quebec premier would ever agree to a deal under which "six provinces and the federal government could trumpet a new program, define national objectives, devise a framework for accountability, and then Quebec, to get compensation for its part of the program, would have



**ALL ABOARD:** Although Bouchard opted out of part of the First Ministers' agreement, his province will not be left behind

to abide by the national objectives." Bouchard wants full compensation from Ottawa even if Quebec offers no comparable program. And, until recently, that was a bargaining position he shared with the other premiers. What persuaded the rest of the premiers to bend was a too-good-to-pass-up offer to restore federal transfer payments for health, starting in next week's 1999 federal budget. While the exact amount was being kept under wraps in the name of budget secrecy, one provincial official suggested the provinces could get as much as \$6 billion more over three years.

Quebec will get its share, and Bouchard even agreed a precedent letter committing the provinces to spend the additional money on "core health services." In fact, on all other future social policy changes, Quebec will almost certainly be treated as if Bouchard had signed on to the social union framework. "Of course, what I'm offering, I intend to offer the same thing to everybody," Chrétien said. "I intend to use the mechanisms that have been developed to make the federation work with all the provinces." So while Bouchard declared that he was "not on the same team" with the other premiers, a second Quebec was in little danger of being left behind.

JOHN GEORGE is in Ottawa



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ative and secretary to the cabinet, is Iqbal. But most of the other deputy-minister-level officials are white—many of them long-standing Eastern Arctic residents who are transferring from senior positions in the old Northwest Territories bureaucracy. Officials say a push to quickly train more promising young Inuit to fill government posts has been only partly successful. It remains to be seen if the government can meet its goal of having Inuit fill half of the jobs in Nunavut's public service at the outset. Even tougher may be achieving the aim of steadily increasing Inuit employment to 45 per cent of its expected 600 government positions by 2008.

Along with those employment targets, a controversial blueprint for decentralized government aims to keep the new regime close to the land. Branches of the Nunavut government are slated to be spread across the territory's 30 largest communities—a policy often described as "not recreating 'bikeways' in Iqaluit. But will the plan work? Many former Northwest Territories officials protesting to shift to the Nunavut public service are grumbling that they do not want to move from their current offices in Iqaluit. And there are issues beyond where the government employees prefer to live.

For example, the idea of 44 social-services bureaucracies now based in Iqaluit are supposed to be relocated to the little hamlet of Pangnirtung, but the regional hospital there, many officials are responsible for administering, is in Iqaluit, nearly 300 km away. Critics of the scheme regard the architects of Nunavut as "optimistic to the point of naivety about how cumbersome and expensive it will be to operate a decentralized government across a slice of the land mass of Canada," according to Heles and White.

The controversial decentralization plan was largely designed to spread the wealth. Government money, after all, is extraordinarily important to the economy of Nunavut. The new territory's labour force is linked overwhelmingly to the expense of public spending; it accounts for more than half of Nunavut's employment, and what little private sector work there is—mostly in construction—also depends directly on government projects. In addition to a separate land claim settlement, the federal government is budgeting to send Nunavut \$600 million a year—fully 10 per cent of the new territory's revenues.

Some Nunavut politicians are already arguing Ottawa will have to be persuaded to come up with more money. Jack Anawak, a former Liberal MP who took over the mantle of opposition leader in Nunavut's legislature last year, is openly skeptical. He says Ottawa is not doing its best to support Inuit communities, points to a severe shortage of subsidized housing as one pressing problem for which Nunavut will have no choice but to plead for more federal money. "I think I have the necessary contacts to negotiate with Ottawa as this time," says Anawak, who is running for a legislative seat in his home constituency, Rankin Inlet, and is viewed as a strong contender to be elected Nunavut premier in a vote among Inuits.

Prospectors reducing Nunavut's reliance on federal transfers to the long term are unrealistic at best. Mining may offer the best hope for a quick infusion of outside investment to broaden the tax base. Three major new production lines, iron, gold and silver in the territory. Officials setting up the new government say they are gearing up to promote the region heavily to outside exploration firms. There these are the induc-

ries that largely define the North in the popular imagination: adventure tourism and loot act.

The creation of grants and stipendium earnings brings slowly in come to hundreds of artists and artisans. But the market for Inuit art has been uneven in recent years. Beth Beattie, co-ordinator of the Nunavut Arts and Crafts Association, says an estimated 1,500 to 2,000 Inuit working at least part time in arts and crafts need a more direct pipeline to buyers. The association, formed last year, says it plans to use new technology, including the Internet, to give those artists nearly instant access to distant markets. "Because of the remoteness of their communities, they need somebody to go to who can digitize an image of their sculpture and transmit it to a gallery in the south," Beattie says. As well, efforts are under way to diversify the range of products, notably through Nunavut Arctic College's program to teach Inuit artists other crafts such as jewelry-making. The commercial potential is tantalizing. Last summer, at one of several large-scale shows of Inuit jewelry in Knoxville, N.S., an expensive silver brooch made by the renowned Inuit artist Pitsootlik of Iqaluit was snapped up for \$5,000, a fortune after the show opened.

Tourism also holds a promise. The federal government is committed to creating three new national parks in the territory. The big barrier is the high cost of air travel. A 14-day, round-trip ticket from Ottawa to Iqaluit was going for \$2,135 last week. Considering the cost of flying in, tourism operators tend to tailor their packages for either well-off hunters and fishermen, or adventure tourists willing to shell out thousands for a unique experience. North Woods Arctic Adventures in Iqaluit is offering a seven-day dog-sledding trip later this month for \$2,400, or a 14-day backpacking trip in Koyukuk National Park in April for \$3,150—flights to Iqaluit not included. Marty McNair, who runs North Woods with her husband, Paul Landry, sums up Nunavut's tourism development problem this way: "The government can print up glossy brochures, but the fact is, you can go to fragile parks for less money."

The Nunavut government will not bear the burden of economic development alone—or have a monopoly on political and economic clout. The 1993 land-claim agreement under which Ottawa promised to create Nunavut led to the establishment of Nunavut Tungasuvvit Inc.—a hybrid entity that is part investment consortium, part political organization. The NTI's mandate is elected by Nunavut's Inuit, giving it as much political legitimacy as the territorial government itself. And it is the NTI, not the territorial government, that controls the \$1.1 billion that is being paid to the Nunavut Inuit by Ottawa over 14 years after that 1993 deal.

In many ways, the NTI operates like a holding company, controlling dozens of subsidiaries and agencies, from a large construction company to a fund that works up to \$300,000 in start-up capital for small businesses. As well, NTI oversees the 350,000 square kilometre of land that the Inuit now own under the land-claim pact, including potentially lucrative mineral rights for 38,297 square kilometres. But the corporation does not restrict itself to business-related activities. It also runs what amount to quasi-governmental social programs: a pension supplement for Inuit seniors, a subsidy scheme to defray the high cost of boats and snowmobiles for

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## CANADA

Just borders, and a raft of training initiatives. All that scope seems to be concentrated on the deeply furrowed brow of NIT president Jose Kasaguk—the man many view as Nunavut's most powerful leader. Kasaguk, 40, was one of the handful of Inuit activists who began pressing in the 1970s for a land claim and division of an frontier territory in the Eastern Arctic. But he casts a sleepy calyx on the prospects for his people to achieve in any government. He says ambitious Inuit were often frustrated in their attempts to rise through the old Northwest Territories bureaucracy. "Sometimes, there is an assumption that Inuit cannot do the job," Kasaguk said in a recent interview in his spacious corner office in the NIT's Inuit headquarters.

Kasaguk predicts there will be little tension between the NIT and the new government, but that could depend on the outcome of the Feb. 15 vote. Although he is not a combative himself, Kasaguk is widely regarded as a not-so-friendly rival to Anawak, Inuit, his brother, Lorne Kasaguk, is running against Anawak in the hotly contested Rankin Inlet North riding. In all, 71 candidates are campaigning for the 18 seats, including many new faces. Election office holds a powerful allure for ambitious young Inuit. "In a place with not many private-sector jobs, and a history of not much opportunity for Inuit in the bureaucracy, politics is a major way to get upwardly mobile," observed one veteran government official in Inuit.

For all the problems Nunavut faces, spirits are running high in the run-up to the celebrations planned to mark the dawn of the new territory. Six Inuit artists are working on a secret design for the ceremonial stage of the new legislature. A new government building—a sloping structure rising to a domed assembly chamber—is under construction. Dozens of houses are being built for the employees of the new government. Shares are expanding and the CBC has announced it will open a branch on the same block where the Royal Bank of Canada and the Bank of Montreal are already doing bank business.

More poignant, though, are some of the private preparations. Nitaq Kangu takes time out from organizing these days to work on sewing a new amuk, the traditional woman's coat with a pouch on the back for carrying babies. For the Inuit, she has crocheted an elaborate headwork motif of white polar bears against a blue background. When she holds the garment up to show how it will look when she wears it on April 1, hard memories seem far from her thoughts. The problems of a divided society may dominate the new territory's politics for decades to come, but Nunavut is coming into being as a triumph of hope over history. □

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## Canada NOTES

### VOTE ON PORNOGRAPHY

Federal Liberals defeated a Reform party motion on child pornography at a 143 to 129 Commons vote. Four Liberals broke party ranks, joining Reform's call for Ottawa to intervene in the case of a British Columbia judge's Jan. 15 ruling that made it legal to possess child pornography. Reform wanted the case appealed directly to the Supreme Court of Canada or overturned by invoking the Canadian bill of rights notwithstanding clause. Ottawa wants the case to proceed normally through the appeal process, with the B.C. Court of Appeal set to hear the case in April.

### SNOWBIRDS GROUNDED

The military grounded seven pilots with the famed Snowbirds aerobics team, as well as 45 per cent of all other pilots, for being too heavy. The restriction on pilots flying T-33 and Tutor jets was imposed over concerns that the ejection seats cannot cope with pilots over 180 lb. The decision followed a report by the CBC's fifth estate questioning the safety of T-33 ejection mechanisms.

### A SOURCE OF HATE

The B.C. Human Rights Tribunal ruled that a column by Doug Collins in the North Shore News in 1994 exposed Jews to hatred and contravened the Human Rights Code. Collins, among other things, said the movie Schindler's List was Jewish propaganda. The tribunal ordered the columnist to pay \$2,000 to businessman Harry Abramson, who filed the complaint.

### PAYING APEC LAWYERS

Ted Hughes, the new head of the inquiry into RCMP conduct at the 1997 APEC summit, urged Ottawa to pay for the legal costs of individuals involved in clashes with police. Officials already twice turned down such requests. Officers' lawyers argued that several protesters during the summit in Vancouver.

### LANIER SPEAKS OUT

Chief Justice Antonio LaMer of the Supreme Court of Ontario said he would "certainly discourage people from campaigning" for a spot on his court. LaMer said lobbying for the opening created by Justice Peter Cory's plans to retire in June can be "divisive." Intense jockeying within Ontario's legal community followed Justice John Sopinka's death in 1997.



**A CASE OF THE WILLIES:** Schoolchildren and other onlookers who gathered in Warsaw, Ont., for Groundhog Day celebrations were shocked by the news that Warsaw Willie, the renowned weather prognosticator, had died. But handlers soon acknowledged that the body laid out in state was that of a stuffed stand-in, and that they had found the real Willie's decomposing body two days earlier. "We incinerated him—I mean we cremated him," said Sam Brasseur, one of the handlers. "People need closure," said another, trying to explain the hoax.

## Beatty bows out at the CBC

Disagreed CBC president Peter Beatty announced that he has given up his quest for a second four-year term as head of the public broadcaster. Beatty, however, agreed to stay on until October—a one-month extension of his contract—in order to guide the CBC through upcoming ten-year renewal hearings with the Canadian Radio-television and Telecommunications Commission. "I know when I accepted the job that it would not be easy," said the former Conservative cabinet minister, who plans to return to the private sector.

Sources say that Beatty's vision of the CBC as a broad-based, full-range service clashed with chairwoman Gaylester's view that the

CBC should restrict itself to specialty services such as Newsworld. (The Prime Minister last year granted Beatty a second five-year term.) Beatty's turbulent tenure included carving \$400 million from the CBC's \$1.2-billion budget. CBC senior vice-president Jane McGahey, meanwhile, had taken over several of Beatty's management functions before being implicated in an accident on Jan. 4. Possible successors to Beatty include Peter Hammond, former head of TVOntario, Robert Robinson, a former federal cabinet minister now with the investment company Glenview Inc., and Thina McQueen, a former CBC vice-president who now heads the Discovery Channel.

## Wilson wields the axe

Just five days after being named minister in charge of the embattled B.C. Ferry Corp., Gordon Wilson fired its president, Philip Halkett, who had held the post less than three weeks. Wilson replaced Halkett with Rick Lang-

vood, president of Crown-owned B.C. Transit, after Halkett submitted a report that overestimated the top speed of three high-speed ferries currently under construction. Halkett had replaced Tom Ward, who resigned after revealing that the new ferries' construction costs had almost doubled to about \$400 million.

# AN 'EVIL BOND'

## Accused serial killer Charles Ng faces justice over 12 grisly murders

For the victims' relatives watching in Courtroom 45, Charles Ng's brutal jailhouse cartoons were almost too much to bear. The sketches, produced as evidence as Ng's gruesome murder trial drew to a close last week in Santa Ana, Calif., were drawn in an Alberta prison following his arrest in Calgary in 1985. Police across the continent had been desperately searching for Ng when he was captured. He was later charged with the second-torture murders of 12 people at a remote mountain cabin north of San Francisco. Two of the victims were children, who were torn from the arms of their terrified mothers. In one of his drawings, Ng depicted himself smothering a baby against a wall, in another he is shown cooking an infant in a wok. Prosecutors said the chilling words Ng penned under the drawings provided a glimpse into the demonic mind behind the slayings. "Daddy dies," wrote Ng. "Mummy cries, baby cries."

Justice for the relatives of the dead has been painfully slow in coming. Hong Kong-born Ng, 38, a former U.S. marine, has been struggling to avoid a murder conviction and possible death sentence in California for almost 14 years. He spent five years fighting his extradition from Canada before he was finally returned in 1991. He then successfully delayed going to trial by raising dozens of procedural issues. When his trial finally began last October, the jury was told—by both sides—that Ng did not kill any of the 12 victims. Investigators believe the man behind the murders was Leonard Lake, also a former marine, who drafted an elaborate plan, code-named Operation Mursade, to lulllaw women and force them to become his sex slaves. Lake, who lived at the isolated cabin where the murders occurred, cheated justice by committing suicide. When he was arrested in 1985, but in their final appeal to the jury, prosecutors played a luridly explicit videotape that placed him at the center of activities. It, Ng and Lake torture two women in a basement. "You can cry like the rest of them," says Ng. As he calmly slides a knife between the breasts of one of the victims and cuts off her breasts, "but it won't do you no good."

Evidence like that was likely to weigh heavily in the minds of the



Ng in court last week. "I surrendered my independent judgment"

12-member jury, nine of whom are women, when they deliberated their verdict, expected that week. The video was reminiscent of the notorious tapes made by Canadian killers Paul Bernardo and Karla Homolka. One of the doomed women, in forced to dress in sexy lingerie as Lake photographed her. Ng gets a message from her. In another, Lake is heard telling victim Brenda O'Connor that he has killed her boyfriend, Louie Bond, and is planning to give away her infant son, Louie Jr. When O'Connor protests about the child, Ng taunts the anguished woman, saying, "It's better if he's already dead, right?" Lake also makes it frightfully clear on the video what the two men want: "We're going to watch for us, cook for us, for us," says Lake. "It's not much of a choice unless you have a death wish."

Police believe that as many as 18 people, mostly from the San Francisco area, may later have been murdered at Lake's isolated cabin. The killings began in 1984 and ended only by chance on June 2, 1985, when Ng and Lake were caught stealing a van from a San Francisco hardware store. Ng fled, but Lake was taken in by police. He asked for a glass of water and used it to wash down a capsule pill he was carrying. His dying wishes to San Francisco police Det. Daniel Wright were: "You're looking for Charles Ng."

A transcript in Lake's pocket led police to his home in Whiskeyville, a remote community in the mountain town 220 km north of San Francisco, where they discovered two bodies. Before they were done, investigators would collect 30 kg of charred bone fragments and teeth from other victims, some still unidentified. Inside the house, they found the torture video and Lake's diary, in which he mapped out his sadistic plans. Even more chilling, police found a secret room in a concrete bunker that included a two-way mirror through which Lake could watch his victims suffer. "It was a killing field," prosecutor Shariene Hunsdale told the jury. "It was a mass graveyard."

An arrest warrant was immediately issued for Ng, who fled north with an ex-wife in flight. Though he crossed the border in Detroit, he made his way to Calgary, where he was caught shoplifting. In the scuffle he lost a security guard in the hand, and when police arrived



The Whiskeyville house below the bunker, victims O'Connor, Bond and Louie Jr. (below right). Below right, Balas (bottom left); Lake, an adolescent plan to kidnap women and force them to become sex slaves



They were surprised to find they had arrested one of America's most wanted men

The U.S. state department sought Ng's extradition. But his lawyers appealed his case all the way to the Supreme Court of Canada, arguing that he should not be returned to a state that has the death penalty for murder. After the Supreme Court finally ruled against him, he was extradited to California in 1995 and charged with the murder of seven men, three women and two children. But his trial would be delayed for another seven years. The case had to be moved from San Francisco after authorities decided publicity surrounding the murders made it impossible to find an impartial jury. The venue was shifted to Orange County, south of Los Angeles, in 1996, but only after the state government agreed to cover the cost of prosecuting Ng—which has soared to more than \$40 million. Ng also slowed the case by repeatedly thumbing his lawyers, at one point he even tried to represent himself.

Throughout the trial, prosecutors and the defense faced the same challenge—defining the relationship between Lake and Ng. Defense lawyers led by William Kelley, Orange County's deputy public defender, argued that their client was a victim who had been manipulated by Lake. Ng himself, in a way that against his lawyer's wishes, said that while he may have done horrible things, and even helped Lake bury two bodies, he never actually killed anyone. But prosecutor Hunsdale told the jury the two were blood-thirsty partners. Their relationship, she maintained, was "a union of evil—an evil bond." And she noted that under state law, every principal participant in a crime is "equally guilty." She declared: "You don't have to be the triggerman."

In their attempt to shift the blame, Ng's lawyers painted a disturbing portrait of Lake and his twisted world. His father, a U.S. navy seaman, walked out on his young family. And when Lake was just 8, his mother also abandoned him after an argument, leaving his standing alone on train platforms as she left with her other children. Raised by his grandmother, Lake joined the U.S. marines when he was 18 and became an accomplished soldier with two tours of duty in Vietnam. But his first wife, notified that shortly after they were married, he became increasingly violent. She eventually left him, eventually left him. She told the court his immature look. The Collector by John Fowles, the story of a lover who took out his jealousy by seducing a young woman named Miranda and then holding her captive in his home. Hence the name Operation Miranda, Lake's own plan to abduct women and hold them in sex slaves in his bunker in Whiskeyville.

The male victims, prosecutors said, were killed and robbed to help finance the operation. The court was also told that Lake may even have killed his own brother, Donald, who disappeared after visiting him in Whiskeyville, and kept his identity at three. Ng was not charged in that death.

Before he moved to his chamber of horrors in the mountains, Lake managed a motel near San Francisco with his wife, Carolyn Balas—and it was there, prosecutors said, that he learned up with Ng. A mutual friend at the motel introduced Ng to Lake, who promptly tried him to work at the motel. The motel's groundskeeper, Brian Paulsen, testified that from the outset Ng seemed to be aware of Lake's secret and that he seemed to hold Lake up as a father figure.

While Ng was working at the motel, he was arrested and jailed for standing weapons from the military and using away from the marines without permission. The jury saw letters Ng received from Lake and Balas while he was in prison, which included photographs showing the construction of the bunker in Whiskeyville. Upon his release from jail in July, 1984, Ng phoned Balas, who picked him up at the airport in San Francisco. That, Hunsdale told the court, was when the killings began.

Though her own close relationship with Lake—the pair divorced in 1982 but remained sexually intimate—Balas received massive publicity from prosecutors in exchange for information on the grisly events. A teacher's aide known as "Cricket," the met Lake at a bar north of San Francisco in 1980 and the two became involved in pornography. Photographs taken from him told a dozen young women who testified that Balas tried to pressure them into posing nude for him. They were involved in an encounter, while the victim was a house was kept in which Lake and Balas are seen in bed fighting through a photo album of young women and casually discussing which ones they might take to Whiskeyville. Balas, prosecutors said, owned two guns, a James Bond-style Walther PPK and a smaller number not involving Ng, and a fully automatic machine gun with a silencer. She was also said to remove a large bag of air property from Lake's home shortly after his death, which she testified a friend told her.

The court's legal maneuvering, the jury never got to hear from Balas. The prosecutors chose not to call her—despite her seven years of police interviews—and the defense later blocked her testimony while focusing on a comment she allegedly made in 1985, saying she planned to put it all in Ng. But in closing arguments, defense lawyers reminded the jury of Balas's intimate ties with Lake. "Cricket" was not called as a witness because of the harm she could have done to their case," said Ng attorney Lewis

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# WORLD

Clapp "She's even got one of the nuclear weapons".

Throughout the often brutal hostage, Ng, his face pale from years in prison, remained impassive. Each day, he shuffled into court and took a seat between his two lawyers. Even when the degrading torture videotapes were shown, Ng never glanced at the monitor. Ng's lawyers had also insisted that he not take the stand. But just as they were preparing to deliver critical arguments, Ng demanded to be allowed to testify. That gave prosecutors a chance to question him directly about the videotape drawings and videotapes. During his incarceration in the United States, Ng never learned his name, a life-long criminal, to whom he gave the videotapes. Labeque then turned them over to police and told them everything he knew about Ng in exchange for a lighter sentence. Released into the witness protection program, Labeque died last year in a car accident outside Calgary.

Ng, who attended private schools in Hong Kong and England where he was growing up, speaks in broken English but was articulate on the stand. He was shown a drawing titled "She's a Doberman" that depicted a woman leaving a day-care centre with the kidnapped remains of a baby. But Ng said the drawings were meant as indirect comments on life in the prison. "This cartoon was commentary on the allegations and not accusations against me," he testified. "Hussein would treat me—one of the things they told me was about babies as microwave ovens."

Ng also told the jury he was merely playing a role when he revealed the murder. "I did it to show solidarity with Labeque," he said. "I developed it to make it look like we were together." Hussein then asked Ng to explain what he meant when he told one of the victims, "You can pass out but we will just take you away." Ng said the statement was made at the head of the accused. "What I was saying," he testified, "and what I was feeling are two different things."

The doest Ng came to expressing remorse occurred when Clapp demanded to his client that he "did some pretty outrageous things on the night." Every other witness "I'm agreed," Ng testified. "I certainly regret," he testified, "my independent judgment—I am always going to regret having known Leonard Lake."

Nothing Ng could say would appease the relatives of the victims who killed the court each day. Sharon Griffin's brother, Fred Griffin, was shot to death when he tried to tell his Harza Prike to Lake. Sharon said her mother, Virginia Nealey, had collapsed into each other's arms when a forensic expert explained how someone sitting in the backseat of Cooney's car could have killed the victims. "I don't know Ng in the stand," said Sharon Griffin. "I don't want the jury to start seeing him as a human being." Certainly, the crimes seemed much more the work of a monster.

YOUNG PENNELL was in New York in June 1998.

# WORLD JORDAN

## The world after Hussein

### His son, Crown Prince Abdullah, pledges to stay the course

When the Qurashi, King Hussein's private jet, touched down at Amman airport, the Jordanian press was not at his side place in the press. He lay in wait on a bed in the back of the plane, placed by fever, exhausted by the long flight. Accompanied by his American-born wife, Queen Noor, and other family members, he had travelled all the way from the Mayo Clinic in Rochester, Minn., to a hospital in an attempt to cure him of his own lead. For Hussein, the 69-year-old Hashemite dynasty, the direct descendant of the Prophet Muhammad, has been a survivor of close to half a century of Middle Eastern politics—his final contest, on September 16, with the King's accession and kept alive only by his support, the cabinet transferred direct authority to Hussein's eldest son, 37-year-old Crown Prince Abdullah, a prince to his becoming king as his father deposed last month.

Hussein, 63, had fought lymphatic cancer for much of the past year. He is going to be assisted, not only by the 4.6 million residents of the desert kingdom he ruled for the past 45 years, but by Jordan's fractious Muslim neighbours and scores of friends and allies abroad. He had become a symbol of stability in a notoriously volatile region almost from his moment he succeeded the throne, not long after the 1958 coup that, King Hussein, was assassinated as a Jordanian king in 1951. During his reign, Hussein guided Jordan, an artificial colonial creation with a bitterly divided population and few natural resources, along a path that has seen the country grow into a unified, reasonably prosperous and effectively governed state. At the same time, he managed to keep the kingdom's neighbours at bay, no mean feat for a place sandwiched between Israel, on the one hand, and Syria, Iraq and Saudi Arabia on the other. "He was famous for walking the tightrope," said Fred Haddad, professor of international relations at the London School of Economics and Political Science. "The big question

now is whether Hussein's son, Abdullah, is going to be as good a tightrope walker as his father."

On that score, there are few answers, barely because until late last month the 37-year-old Abdullah, Hussein's eldest son by a second wife, British-born Princess Maza, was not part of the succession plan. For the past 34 years, Hussein's younger brother Hassan, 51, has been Jordan's crown prince, carefully groomed to succeed to the throne. That suddenly



Hussein with Abdullah on Jan. 26, heading within the royal family

changed on Jan. 25, when Hussein, apparently asked by friends within the royal family, handed his subjects by dumping Hussein at Amman's Abdulla House late, the King compounded the surprise by announcing that he was returning to the Mayo Clinic for more cancer treatment following the failure of the month-long course of chemotherapy he had just completed. "It's all about him," said Samir K. Al-Husseini, a Jordanian-born, London-based Palestinian writer. "I think everything in the country is still in a state of shock."

Not least, perhaps, the man who is about to become Jordan's new king. Until Abdullah's selection as crown prince, the army had been his life. A graduate, the son of a soldier, of Sandhurst, the British military academy, he was a major general in charge of the king's domestic Special Forces. He is known as a good soldier, an efficient leader and as popular with the troops as he is with the high

command. It will serve him well in Jordan, where the armed forces, along with the Islamic movement, is one of the two pillars of political power. "It's not a country with an army," said Al-Husseini. "It's an army with a country."

But there is no record of Abdullah's ability to deal with either domestic politics or international affairs. That is especially disturbing to the Israeli, for whom Hussein was one of the few Arab leaders who could be viewed as a reliable ally, even a friend. Hussein, too, was someone the Israelis felt they could trust—intelligent, industrious, Oxford-educated. "But Abdullah is an unknown quantity," said Shimon Shetret, a former Israeli ambassador to Amman. "There is reason to be concerned. The royal household's prestige has been weakened by the way Hussein was dismissed."

Last week, Abdullah's selection to replace Hussein's allies, who could be expected to be well received to peace in the Middle East and to close relations with Washington. At the same time, he indicated his openness about both his and his father's experience of his Majesty's outlook and his Majesty's beliefs. "I will remain open to the crown prince. From Israel's point of view, the worst that could happen is a post-Hussein Jordan would be a struggle for the succession. It would open the doors to all kinds of mischief and Jordan's neighbours, in particular Syria, Damascus has historically regarded Jordan as part of a greater Syria based off by the British following the First World War. For the moment, there are no signs of such a struggle occurring. "It is not the kind to organize a faction or to take in palace intrigues," argued Shetret.

Like after Hussein was driven off the throne by Gorbachev as well. Despite the war left, crowds kept night outside his house left in Amman on the weekend. They piled flowers and wept for the only king most of them had ever known.

BARRY CAHILL is a London with BBC NEWS in Jerusalem and SAUDJAH SAUDJAH in Amman

# Monica, almost live

Will her testimony sway any of the senators?

**Representative Ed Bryant:** I want to refer you to the first so-called telephone occasion.

**Monica Lewinsky:** Can you see me—can you call it a relationship? ... I mean, this is—this is my relationship.

**P**resident Monica Lewinsky. When she was cross-examined last week for five hours by Republicans prosecuting their case against Bill Clinton, it was the 38th time in the past year that she has been forced to recall the story of what she prefers to call her "encounters" with the President. Once again, the familiar story of their fabled affair, in cover up their White House liaison, has efforts to help her find a job, and the saga of the marry gift they exchanged was exhaustively explored. This time, though, there was a difference—one that the Republicans campaigned had hoped would rescue their case from seemingly inevitable failure: For the first time, Lewinsky was on video. The senators weighing the accusations against Clinton, as well as the American public, could see her actually speaking. Surely that, the thinking went, would finally bring home the full impact of the President's perjury.

In fact, it will almost certainly have no impact on the outcome of the trial. The Senate, anxious to end Clinton's impeachment (which as soon as feckless possible, had already made it clear that it is not prepared to convict the President), by the two-thirds majority needed to convict him from office. And when she taped excerpts of Lewinsky's testimony dramatically play on the floor of the Senate chamber, it was more dramatic (looking than legal battle). The prosecution, forbidden by the Senate to subpoena the witnesses, had to make do with straggling together snippets of evidence from Lewinsky,

Clinton's close friend Vernon Jordan, and his aide Sidney Blumenthal. They were trying, said Representative James Rogan of California, to show in dramatic fashion "how the President wore a web of perjury and obfuscation of justice."

The real impact of broadcasting Lewinsky's words may be quite different. With their legal case all but lost, the Republicans were clearly determined to lead some final political blow as Clinton Swearing-in Lewinsky, now 35 and still only 25 years old, was a way of doing so. The nature of his behavior in having sex repeatedly with



Lewinsky in Washington: Jordan (left) during snippets of her taped answers

what Rogan referred to as "this vulnerable young intern" just steps from the Oval Office, insisting when she had just turned 22. That was bad enough, Rogan is often said. But it was only when the President tried to cover up the relationship that "his behavior graduated from the unconscionable to the flagrant."

Even after the senators watched Lewinsky's testimony, though, that was still a less than argument. Lewinsky stuck to her story that Clinton never asked her to lie or file a

false affidavit when she was summoned as a witness in Paula Jones's sexual harassment lawsuit against him. But the prosecution did get her to acknowledge that, during a late-night phone call on Dec. 17, 1997, when Clinton called Lewinsky to tell her that she might be subpoenaed by Jones's lawyers, they did discuss "cover stories" involving his secretary, Betty Currie. The President, she recalled, said that "you can always say you were coming to see Betty or bringing me papers."

All that, however, has been known for months—since Lewinsky's testimony before a grand jury investigating the scandal was made public last September. The key question remains unresolved: Is Clinton's "cover story" his last to his staff and the public, and Jordan's efforts to find a job for Lewinsky demonstrate anything more than the unimpeachable fact that a married man caught in an unseemly affair will go a long way to conceal it? Senators have already made clear their feelings. Party-line Democrats voted in late January to disavow the case without even hearing from its witness—showing that they had already decided not to turn against their President.

And last week, the Senate refused to determine to end the trial by this Friday, Feb. 12. On Monday, the prosecutors and White House lawyers will complete their presentations. Then, the senators are to deliberate for as long as three days. Finally, they will vote on the two articles of impeachment—one charging the President with lying before the grand jury investigating the scandal, the other accusing him of obstructing justice by manipulating witnesses and arranging for Lewinsky to hide evidence of their relationship.

With enough Democratic votes lined up to keep Clinton in office, the fiercest struggle this week will be over the terms of his acquittal. Will the Senate simply defend the impeachment articles, leaving all parties to argue endlessly over the real meaning of their verdict? Or will it find a way to formally record its disappointment with his behavior? Two senators, Democrats Thomas Daschle of Colorado and Republican Robert Bennett of Utah, circulated a draft motion last week condemning Clinton's behavior as "unbecomingly, reckless and indecorous," while stating that he "deliberately misled and deceived the American people." Lewinsky's appearance may not have changed the outcome of the trial. But it may persuade more senators to support such a resolution—if only to put their disgust with his conduct on the public record. □

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## A BOOST FOR GORE

Richard Gephardt, left-leaning leader of the Democratic minority in the U.S. House of Representatives, said he would not run for president in 2000. Gephardt was seen as the strongest challenger to Vice-President Al Gore for the Democratic nomination, and until only Senator Bill Bradley, a former basketball star, in the race for now. Gephardt said he wanted to concentrate on winning back Democratic control of the House and becoming its Speaker.

## AIDS FROM CHIMPS

An international team of AIDS researchers said they had confirmed the deadly virus originated with a subspecies of chimpanzee in west and central Africa. The scientists told a Chicago conference that the chimpanzee was closely related to HIV-1, the predominant strain in humans, and was probably transmitted through bites and hunters' exposure to chimp blood.

## FUCKERING PROTEST

Immates at candles in protest after hearing news of the first execution in the Philippines in 23 years. Leo Echegaray, 38, who defied attorney general, had been found guilty of raping his 13-year-old stepdaughter. His case set off an emotional debate over the resumption of capital punishment. More than 900 people have been sentenced to death since the poverty was reintroduced in 1984.

## NEW BLOOD FEAR

A Utah hunter whose donated blood was contained in products exported to Canada and other countries may have died of a form of mad-cow disease that infects deer. Some consumer groups want the blood products quarantined, but Health Canada said there is no proof the disease can be transferred to humans.

## WORD POWER

District of Columbia's black mayor, Anthony Williams, rebuffed a white aide whose use of the word "niggardly" triggered an uproar. Discussing money, aide David Howard made accurate use of the word, an Old Norse derivation meaning miserly, but it cost him his job when a fellow employee complained he had used a racial slur. Williams then came under the far left fire. Howard op.



## A PARTING HURRAH

South African President Nelson Mandela, accompanied by his wife, Graca Machel, waves to the crowd at the opening of Parliament in Cape Town last Friday. Mandela plans to step down after all-race elections, which he indicated would be held in May. "The prize of a better life has yet to be won," he said in his last major address to the legislators. He also vowed that the nation would overcome its high rate of crime. That issue was underscored the night before, when an intruder slashed Canadian High Commissioner James Bartlett's arm. Bartlett, 57, was then gunned down, tied him up and robbed him at a Cape Town hotel. Bartlett, who fought his assailant, suffered a fractured foot and a bruised hip.

## Tough talking over Kosovo

The meeting's setting was grand, an 18th-century brick estate near Prizna, but its chances for success were clouded. If the international delegates at the 20-room chateau in Rambouillet failed to solve the impasse over the Serbian province of Kosovo, the region would once again plunge into violence. The gathering was designed to bring together the leaders of Kosovo's ethnic Albanian majority and the Serbian government to agree on Kosovo once and for all. But a last-minute dispute showed how difficult it would be to find a compromise. The peace conference was jeopardized when Serbian authorities refused to let three ethnic Albanian journalists join

with the Kosovo delegates. After intense pressure from France and Britain, who are championing the talks, Serbia finally let the Kosovo Liberation Army members leave. Belgrade considers Kosovo to be the ancient seat of Serbian culture and views it will not be carved out of its territory. The NLA insists on independence for the Albanians, who comprise 90 per cent of Kosovo's population. Western powers have proposed autonomy and have given the two sides 14 days to break the deadlock. If a deal is struck, aidships to the United States, Canada and other countries will be sent in to keep the peace. If there is no deal, NATO warplanes could pound Serbian military targets.

## Abortion doctors battle Internet militants

Militant anti-abortion activists were ordered to pay \$107 million (\$1.5) in damages for using a Web site to target abortion doctors, some of whom were murdered. A Portland, Ore., jury decided that constitutional guarantees of free speech did not apply to the so-called *Narmerberg* Web site, in which doctors' names were often posted all over the place.

difficult to specific threats were made. The activists, used by Planned Parenthood and some of the 360 listed physicians, also displayed "wanted" posters of so-called baby butchers at rallies. Four Canadian doctors were listed on the Web site, including Montreal's Dr. Henry Morgentaler and three wounded in sniper attacks over the past four years.

# A FIGHT REBORN

BY ANTHONY WILSON-SMITH

John Turner has no regrets. Not, at least, when it comes to the 1988 federal election campaign and the vociferous battle he fought as federal Liberal leader against a free trade treaty with the United States. The concept, Turner said in an interview with *Maclean's* last week, has never involved anything more than "phony so-called free trade," and was further flawed because it involved two countries when "it should have been multilateral." And, he added, "nothing has happened in the last decade to change my opinion. This agreement causes borders and leads to making us a branch plant economy of the United States." Never mind, says the 69-year-old former prime minister, that exports to the United States have increased dramatically, to \$243 billion in 1997 from \$101 billion in 1988. That, Turner says, would have happened anyway because of the falling Canadian dollar. The real danger, as he sees it, "is what is happening now: the Americans go after our cultural sovereignty, and everything else."

Here they go again. As Canada and the United States mark a decade since the Free Trade Agreement came into effect—and five years since Mexico signed on to the North American Free Trade Agreement—the results of unfettered trade are under close scrutiny, and this time, there are hard facts to assess. In philosophical terms, there are few people these days at Canadian political circles other than John Turner and the NDP who criticize the principle of free trade. But within the framework of the Canadian-American deal, some little battles are raging over how, and whether, Canada should protect itself against American intrusion in several key areas.

Arguably, the most intense debate over these issues is taking place among federal Liberals, who, under Prime Minister Jean Chrétien, reversed their opposition and then expanded the terms of free trade begun by the Progressive Conservatives. With the resumption of sessions of the House of Commons last week, they are preparing protective legislation in two areas once considered exempt from the Canada-U.S. agreement—cultural properties and restrictions on bulk-water export sales. These measures, including an existing bill that will affect magazines and proposed rules for the domestic film industry, have ruffled feathers in the United States and at home. "It is no surprise that the Americans are going after culture," says Daniel Schweser, an economist with the Toronto-based C. D. Howe Institute. "The noise is how well we confront them."

That will likely be one of the topics discussed in June, when a black-chap group of current and past Canadian and American political and opinion leaders—including former president George Bush, his once secretary of state, James Baker, and ex-ambassador Brian Mulroney—meet at a free-trade symposium in Montreal hosted by the McGill Institute for the Study of Canada. One thing will be that the past has outperformed original expectations for increasing trade between the two countries—but in another key area, produc-

tivity, Canada has not improved as expected. "It is a bit of a mystery why our economy has changed in some of the ways that it has," said John McCallum, chief economist at the Royal Bank of Canada, who is studying that topic for the conference.

But there is no mystery about either the intent of the Liberals or the depth of the opposition confronting them as they move on cultural issues and restrictions on bulk-water sales. Heritage Minister Sheila Copps has provoked a storm of protest from Washington and in some Canadian circles with her planned Bill C-55, which would bar foreign publishers from offering advertising services in so-called *aggravated magazines*—which contain ads aimed specifically at Canadian readers. As well, she is moving backies with a proposal that would eliminate an existing tax break program for Hollywood films shot in Canada and instead direct the funds toward Canadian film producers. At the same time, Environment Minister Christine Stewart is preparing legislation to ban the export of water in bulk through such means as superpipelines or pipelines.

All three measures have provoked threats of a trade war from Washington, and sparked debate at home about their wisdom. On the magazine issue, most of the country's publishers—including



Rogers Media Inc., which owns *Maclean's*—argue that some degree of protection is essential. The aim is to stop American magazines from flooding the market with so-called Canadian editions that are beamed electronically into Canada, but are composed almost entirely of U.S. content. As a result, with minimal editorial cost, those magazines can easily undercut the prices of their Canadian rivals in bidding for advertisers.

Copy's Bill C-55 would stop that practice by making it illegal for a foreign publication to offer advertising to the Canadian market, with potential fines for violations ranging up to \$50,000. But American officials say that if the bill is passed, they will retaliate with measures aimed at Canadian exports in such areas as dairy, steel, lumber and wheat. Some advertisers say they might chal-



## Ten years after free trade, fears about Canada's sovereignty linger

large the bill under the charter of rights, claiming that it denies their right to free expression. The legislation is scheduled to go back before the House of Commons this week for third and final reading. After that, some Ottawa sources suggest, one possible outcome might be that the federal government would delay implementation of the bill. Then, both Ottawa and Washington would ask the World Trade Organization to provide a quick ruling based on Canada's contention that the legislation meets WTO requirements because it deals with services (marketing advertising) rather than goods (the magazines).

Some people who defend the need to protect cultural properties say other measures might better serve the same goal. Schweser says Ottawa could alter tax breaks to advertisers who use publications that "have a circulation that is at least 95 per cent composed of Canadians." And in an article in the latest edition of *Policy Options*, Dennis Browne, director of the Ottawa-based Centre for Trade Policy and Law, suggests the government should base its trading policies on Canadian content, rather than ownership. That would allow American access to the Canadian media market—but obligate them to meet content quotas in order to benefit from tax breaks. But magazine industry sources say those proposals are ineffective, because the costs of *aggravated magazines* are so low that tax breaks could not make up for the huge disparity in ad rates.

Similarly, Canada's film-making industry is grappling with how best to survive in the face of enormous American competition. At a Parliament Hill meeting of film producers, politicians and bureaucrats last week, Gordon Rickie—usually known for his expertise as a trade consultant and for a dry, deadpan manner—caused a minor sensation with his comments to the group. Rickie, who later said he was taken aback by what he called the "self-celebratory" manner of the group, ripped into the film-makers for insisting that they need

government subsidies and tax breaks to stay afloat, while asserting Canadian movies deserve more attention internationally. "You can not have it both ways," said Rickie. He belittled the film-makers' claim that they play an important role in the nation's economy, saying "their sheer iniquity" protects them most from complaints about their protected status.

Then, there is water. Alberta bells began sounding in Ottawa in December, when a California company announced plans to sue the government of British Columbia over the province's restrictions on exports of bulk water. Before that challenge, the federal Liberals thought they had hoisted such exports under NAFTA by specifically allowing one exception—bottled water—that could be exported. Now, they plan to introduce new legislation indicate their concern—and experts are divided over the degree of control that Canada exercises. "There is nothing in NAFTA that says we are obliged to sell water," says Rickie. But Wendy Hilder, a B.C.-based agricultural economist, says bulk-water exports to the United States have been made in the past. "To a precedent exists—and we have plenty to worry about." For his part, Schweser says there are two issues. "If you get a licence to export water, does that become a property right, and do we have the right for environmental reasons to limit the amount of water being taken out of the country?"

One option is for both countries to rely on the dispute mechanisms set up between them for such occasions. But that raises another of Turner's objections. He points out that the clause says disagreements will be settled according to "Canadian or American law as may be ascertained." Turney says: "Myra gets a protectionist American Congress, it will keep changing the laws until things are weighed their way. That is neither free trade, nor fair." And while Turner found himself on the losing side of free trade a decade ago, at least he can say he predicted the tough battles still ahead. □

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Deirdre McMurdy

# A collision of cultures

There are no known references to *The Brady Bunch* in any MBA course, industrial or management textbook. But the 1970s situation comedy may be the best case study of successful post-merger integration. In the television series, two distinct families were blended under the co-direction of nurturing parents. They acknowledged their differences, and worked hard to forge common ground. Everyone prospered as a result.

The Bradys, however, were multi-American family and shared the same apple-pie values. But if one half of the family had been from Europe and the other half from North America, the differences would have been more marked. That is the dilemma facing those who are managing multinational corporate mergers, especially those in the automotive sector.

Aside from language and an array of cultural issues, the greatest divide between companies like Daimler-Benz AG and Chrysler Corp., which joined together last year, is labour relations. Traditionally, Daimler's relationship with its heavily unionized workforce has been grounded in the concept of *mitbestimmung* (which, translated from German, means co-determination). As a corporate philosophy, it indicates labour and management consider themselves partners, equal voices in major decisions. Daimler's chairman, Jürgen Schrennp, boasts that *mitbestimmung* has allowed his company to avoid the costly, disruptive strikes that have plagued the Big Three North American automakers. He has already allocated one seat on DaimlerChrysler's supervisory board for a representative of the United Auto Workers.

This approach suggests a clear victory for North American unions. UAW executives have commended Daimler's sense of moral obligation to its European employees and community. Those are auspicious omens in a year when union contracts are set for renegotiation. But Dan Hargrove, head of the independent Canadian Auto Workers union, remains cautious about the trend to *mitbestimmung*, multinational mergers. He notes that only one of a 20-member board does not

mean power. He says he is uncertain about the agenda of autoworkers in Europe and their willingness to work with another union under the new regime. However, he emphatically rejects the notion of joining forces with the UAW to bolster union clout at home. According to Hargrove, Canadian and U.S. autoworkers have different priorities, especially on health-care benefits.

Although Hargrove says the CIO's corporate focus may change by the time talks start in mid-July, his union plans to target Ford Canada. Under the pattern approach to bargaining, the Ford contract will set the precedent for contracts with the other two automakers. Ford has been chosen partly because General Motors Corp. is restructuring and partly because Hargrove says he wants to see how the DaimlerChrysler merger "shakes out."

He is not alone. The same competitive pressures that have caused Ford Motor Co. to buy Volvo AB's auto division, and pushed Daimler and Chrysler to merge, are changing their long-established practices. To win the attention of capital markets, the European corporations are being forced

to focus often for the first time on operating profit, productivity and shareholder returns. The process of change has been hastened through listings of European companies on the New York Stock Exchange. Since 1990, they have quadrupled to 137. That means institutional money managers' short-term demands for growth and share price performance have increased many. Already, several major European companies have embarked on North American-style corporate restructurings, including thousands of layoffs. "The overcapacity in European industry is massive," says Hargrove. "They haven't even started to work through that."

To achieve performance targets in line with these expectations, European companies have begun to explore the use of management incentives such as stock options. But options are just one way to address an even more problematic disparity: executive pay. In 1997, Schrennp took home just one-seventh of the \$20 million earned by Chrysler chairman Robert Eaton. That challenge might even shake the Brady family

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## Business NOTES

### HARD TIMES FOR STEEL

Algonia Steel Inc. said it will shut down two steel mills in South St. Mary, Ont., throwing about 800 employees out of work. At the same time, the company announced losses of \$48 million in the fourth quarter, including a \$27.5-million charge to cover the cost of closing the mills. Canada's \$11-billion steel industry has been hit hard in recent months by a flood of cheap imports caused by a drop in demand for steel in Asia.

### HITLER'S LOANS

Germany's biggest bank, Deutsche Bank, said newly discovered files show loans from gold and other assets looted from concentration camp victims during the Second World War. The Holocaust issues could delay regulatory approval of Deutsche Bank's planned \$15-billion acquisition of U.S.-based Bankers Trust Corp.

### NEW DRIVER AT CHRYSLER

Chrysler Canada Ltd. appointed Edwin Bied, 55, as president and CEO. The 18-year veteran of Chrysler Corp., which merged with Daimler-Benz AG in November, is the third chief executive of Windsor, Ont.-based Chrysler Canada in less than a year. Former president Willem Glauk died in November, while Quindus born Yves Landry died of a heart attack last March.

### RECHISTERING THE BAY

Hudson's Bay Co. is considering changing the name of the Bay stores to HBC. Bay president Irv Pollack said a decision will probably be made in the next couple of months. The 169-year-old Hudson's Bay Co. is North America's oldest company.

### NAME CALLING

Izzy Asper, the head of Winnipeg-based CanWest Global Communications, is suing film producer Robert Lantos over comments Lantos made during a speech in November. Asper charges that Lantos held him up to "harass, insult, ridicule and contempt." Lantos called Asper's suit unfortunate because broadcasters are protected in Canada. He vowed not to be silenced, adding, "I actually enjoy a good fight."

## CTV scores a knockout punch

In a surprise move, CTV has struck a deal with ESPN for control of NetStar Communications Inc., the parent company of The Sports Network and the Discovery Channel. CTV acquired rival CanWest Global Communications Corp. with an offer that values NetStar at \$908 million, including its debt. CanWest announced last month it was buying 10 per cent of NetStar from private investors in a deal that priced the company at an estimated \$875 million. But Disney Corp.'s ESPN sports network, which owns 30 per cent of NetStar, had the right to shop the entire company around. If control of the cable sports broadcaster changed, restrictions on foreign ownership prevent ESPN from owning



Fusion: expecting the TSN deal to pass

in national. CanWest initiated talks with ESPN to reach a deal for TSN, but the negotiations ended acrimoniously. CanWest founder Izzy Asper said his firm would willingly complete its purchase of NetStar if regulators reject the deal with CTV.

all of NetStar. CTV will pay \$394 million for the 68-per-cent stake not owned by the sports broadcasting giant. But the agreement also means competition for products since CTV owns Sports Net Inc., a rival sports network that airs on cable TV. CTV president Ivan Posen predicted the Canadian Radio-television and Telecommunications Commission will approve the deal because SportsNet is a regional service and ESPN is national. CanWest initiated talks with ESPN to reach a deal for TSN, but the negotiations ended acrimoniously. CanWest founder Izzy Asper said his firm would willingly complete its purchase of NetStar if regulators reject the deal with CTV.

### Turbulence overhead

Air Canada plans to eliminate 450 more jobs this year, after slashing 1,275 positions since August. World of the learning cuts came as the company released results last week showing a \$35-million loss in 1999. By comparison, Air Canada made a whopping \$607-million profit in 1997. Last year was fraught with problems for the airline. A 13-day pilot strike in September, higher operating costs and overcapacity

on trans-Atlantic routes all contributed to the loss. "We cannot get this thing more under control, and that's what we intend to do," said Lamar Durnett, Air Canada's president. The bad news was tempered by last year's fourth-quarter results were improved. But the loss for that period was about \$20 million, in contrast to expectations that the strike would make it larger. Air Canada steadied the red ink with a successful marketing campaign that caused ticket revenues to rise 33 per cent over the same quarter in 1997.

## FINANCIAL OUTLOOK

The Canadian dollar is expected to rise to its highest level in months, gaining almost a full cent on Thursday and closing the week at 67.08 cents (U.S.). The currency was buoyed by a drop in January's unemployment rate to 7.8 per cent over eight per cent the previous month, its lowest level since June, 1990. The surprising strength of the U.S. economy, which accounts for 85 per cent of Canadian exports, is also helping the loonie's rise. A higher-than-expected cut in Britain's interest rate spurred investors on growth prospects in Eu-

rope, prompting them to divert cash to North America and lending further support to the Canadian dollar. Oil and metal prices in the U.S. also helped. And Brazil won praise for naming respected economist Amílcar Netto as its central bank governor.

"The prospects for the Canadian economy are improving. We don't even need commodity prices to firm to see a further rise in the dollar."

—Royal Bank

"A sustained rally in the dollar is unlikely unless commodity prices begin to recover."

—TD Bank

### TAKING FLIGHT

Canadian dollar in U.S. cents



"The currency is projected to weaken in the months ahead, pushed down by a softer economy. It is likely to test all-time lows in the second quarter."

—Nesbitt Burns

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# Peter C. Newman

## Two dramatic tales of personal survival

**O**f all the many predictions being made about doing business in the 21st century, none rings more true than the notion that it will bring individual entrepreneurship into full flower. Only men and women possessed of the courage to risk and risk again will exhibit that essential spark that turns guesswork into creative enterprise.

Nothing better illustrates that than two of Canada's leading entrepreneurs whose lives have taken strange turns recently.

Take St. John's, NFL, businessman Craig Dobbin, who heads CHC Helicopter Corp., one of the world's largest helicopter companies with 188 aircraft of \$854 million. Which fits neatly into 200 machines from the bases around the world (from Aberdeen to Augsburg), mostly servicing offshore oil-drilling platforms.

Dobbin once used his entrepreneurial bent to save his own life. It's not a widely told tale, but in 1992, Dobbin, now 62, was diagnosed with idiopathic pulmonary fibrosis, a potentially fatal disease that scars the lungs, which his doctors attributed to the use of a faulty compressor during his younger days as a professional diver. "I completely forgot about the damn thing and got on with my life," he told me in a recent interview. "But I was gradually running out of the capacity to breathe properly, because my lungs could not deliver CO<sub>2</sub> from my blood stream. When my life came under threat, I was told in March, 1997, they told me I had about four months to live unless I got myself a new lung. That's when I got focused. I never felt that death was an option."

Dobbin analyzed the North American landscape, doing long overhauls and quickly discovered that you have to be local to get first preference, local meaning that you live with in two halves of the operating room. He visited 15 hospitals and got listed in 10 as a local resident—two hours away on a leased jet. The problem was that Dobbin is not local, three inches tall, and there just weren't any tall donors whose lungs would fit him. The average wait for a lung was eight months and by late spring, he could easily breathe through a full-face oxygen mask. "The downside of being listed in the hospitals as being local," Dobbin recalls, "was that they kept calling you back for X-rays and other tests. We used to get on the jet every Monday morning early and return on Sunday nights, calling at each of the hospitals, consulting with their physicians, lung or cardiovascular and the donor guys, dropping \$200,000 each of their bills. Eventually, I paid \$2 million deposit at hospitals within two hours' driving time from St. John's, where we chose to locate."

He finally got the lung at the University of Pennsylvania Hospital in Philadelphia, reaching the operating room two hours and 10 minutes after he got the call. "We were out that door like a scalded cat," he remembers. "They didn't put the organ in until seven or eight

hours afterwards. Once the person is brain dead, then the various tissues, the eye people, the heart, lung and tissue people all come in and harvest the organs. It was a very hard chore, but the thought never ever entered my mind that I wouldn't get that lung. It was an assumption that was prohibiting me from having a full life. Now, I just hogride down the highway and feel the same age as some of the young guys around me. I was lucky, I guess—but you make your own luck."

The son and grandson of heavily empaneled American West Coast business executives, Newman's Edgar Kaiser Jr., 56, has done it all. He ran a successful BCG resource company and an unsuccessful trench-dry vending operation, became chairman of the Bank of British Columbia taken over by the Hongkong Bank of Canada in 1989, set around-the-world speed records in his own jet, piloted his own boat up the Amazon River, owned the Denver Broncos for three years until 1984—and did the trade first brought quarterback John Elway to the team.

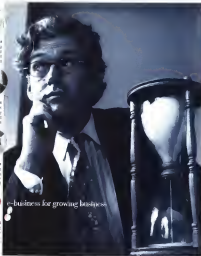
A loner who has never been clubby and has never worried about society's actions or what people think of him, he dropped out of the Vancouver business scene a year ago. Nobody knew what he was up to until recently.

It turns out Kaiser had been recording a solo-rock album, including eight of his own songs, issued as *Thruway* of 50 tape on the Green Lady Records label. Backed by some of Vancouver's best musicians (and playing guitar or synthesizer as well as singing), he recorded the CD at three Vancouver studios and at the Gold Recording Station in Moscow, where he once required a Russian flight attendant.

Early dismissed as an exercise in male megalomania, the album (which has already been bought by several airlines for their in-flight entertainment network) surprises. Its musical qualities live up to their billing, and the songs vividly portray their singer as a man whose life has been actively rewarding yet inwardly wrenching, including several lesser theories. "My guess," he told me last week "has allowed me an opportunity to reflect on the experiences I've had, both real and imagined—on what I did, instead of merely what I thought. I did this album because those experiences are common to my generation, not just to myself."

The album's title tune best sums up Kaiser's mantra. "When people talk about 'the thread of their lives,'" he says, "the threads always close you back home. You're always looking for a sanctuary, but you can't change who you are or where you come from." For an exoner, Kaiser, always the entrepreneur anxious to conquer new fields, is preparing to become vice-chairman of the prestigious Silk Institute for Biological Studies in La Jolla, Calif.

Ever wonder?



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# A hot-button issue

Cell phones, pagers and extra phone lines for the fax machine, the alarm system, the kids, the Internet. Will it ever end? Although the growth of telephone service seems unstoppable, each device needs a number and that's a problem: North America is simply running out of phone numbers. Sometime in the first 25 years of the next century, the Canadian and American standard of three-digit area code followed by a sequence of seven numbers will likely go the way of the rotary phone and exchanges with pleasant names like Regent or Lakeside. "We need tens of new numbers," says Toronto telecommunications consultant Ramon Hoey, "and we're exhausting them."

Calgary is among the world's worst with telephone users. About 15 percent of residential customers now have more than one line, Hoey says. Industry estimates put the number of cell phones and pagers at 6.8 million. The most immediate result of the growth of telephone service is that everyone is being forced to remember a raft of new area codes. One—780—was added last month for Edmonton and the northern half of Alberta as 94 per cent of the 7.8 million numbers in the 488 code were assigned. But these changes pale in comparison with lies ahead: the end of seven-digit local dialing and, further down the road, a complete overhaul of the telephone numbering system shared by Canada, the United States and 17 Caribbean and Pacific islands. "You're looking at a huge cultural shift," says Garry Dybenko, Bell Communications vice-president.

Few would have predicted when area codes were first introduced in North America back in 1947 that it would be possible to run out of numbers. After all, with 758 area codes in each area code and 792 area codes available, it must have seemed there would be enough to go around for an eternity. The system allows for a staggering 83 billion numbers. But, says Doug Birdseyne, of Senior Canadian Network Management in Ottawa and chairman of the numbering

committee for the Canadian phone industry, current estimates are that by 2025 those numbers could be used up. Plans are already being discussed for what will follow, and any new system will be implemented well before the stock of digits is depleted. Birdseyne says the most likely change would be the addition of one number to the area code and one number to the exchange code. Such a revision would be an enormous undertaking, perhaps on the order of the

## The high-tech boom is exhausting Canada's supply of phone numbers



committee needed to prepare computers for the rollover in the year 2000. Every telephone system and every computer database that provides space for only 10-digit phone numbers would have to be reconfigured. "That's a big deal," Birdseyne says.

Before the big changes take effect, North American phone users will only have to worry about the explosion of new area codes. It took more than 40 years to run out of numbers in the first 144 codes that were assigned, says Ron Consens, director of the North American Numbering Plan Administration in Washington. Since 1966, phone companies got 444 additional 130 codes and new ones

are being added to the North American network at the rate of about 30 a year, a figure that has grown about 12 per cent annually. "We're burning area codes," Consens says.

In the United States, code growth has been phenomenal. In California, the number of codes has more than doubled in less than a decade. Metropolitan Boston added two area codes in 1997 and, within a year, residents were told they would need to add two more by 2000.

In Canada, growth has been slower but is accelerating. The actual Canadian assignment lasted until 1990 when the Toronto region added the 905 code for its suburbs. British Columbia added a second code—250—in 1993, the Northwest Territories and Yukon moved from one—867—two years later. Last year, the Montreal region added its second one—450. Alberta's new 780 sequence will become mandatory on May 18. Toronto will likely get a third code—463—sometime in 2001, and Birdseyne says expectations are that the 905 code will be exhausted in 2003. The new Toronto code, Dybenko says, will mark the first time in Canada that one geographic area will share more than one code, called an "overlay" in telephone parlance. In one way, an overlay is easier for customers because existing phone numbers don't change, but it means someone adding a second line could have two area codes in the same house. And it will also mean the advent of 10-digit calling in Toronto, even for local calls.

Back when the numbering system was devised, no one thought too much about conserving numbers, Dybenko says. But numbers do get wasted. Competition has been the biggest problem: each company that enters the market gets a batch of 10,000 numbers—the smallest block that can be assigned to—for each exchange area it serves, even if it has only a few customers. Numbers are also wasted in other ways. Companies like Bell allow customers to reserve numbers for future use. That ties up about five per cent. Another 30 per cent are out of use because the industry does not reassign a number for up to a year when someone moves and gets a new one. Curbing that period, or making it harder to reserve numbers, could help slow the process. But curbing the desire for phones is the only way to save the seventh number. And that does not seem likely.

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# People

Edited by  
FRANCY JENKINS

## All smiles on Genie night

It was not the Oscars. No one proclaimed himself "king of the world." And no one thanked God—except Dean McKellar, who gushed that "He's always gonna be off if you leave Him off this list." At last week's 26th annual Genie Awards, hosted by Albert Schultz in the Toronto suburb of Mississauga, McKellar certainly had reason to feel like the king of something—if not the world, then at least the Canadian film world. For *Last Night*, his downbeat drama set in Toronto, the 35-year-old filmmaker took the prize for best directing debut and best screenplay. And although *Last Night* won just two of its 12 nominations—including best actress for Sandra Oh—McKellar was even when he lost *The Red Violin*, which he co-wrote with Montreal director François Girard, except all but two of its nominations. The five-country epic won eight awards, including best picture. The best actor prize went to India's Roshan Sethi for Sandra Freeman's *Such a Long Journey*, which won three of 12 nominations.

With some Québec filmmakers boycotting the awards, the genre pool of the Canadian film community seemed especially narrow at this year's Genies. But producer Nile Fuchsman of Bombes Media, the small Toronto-based firm that produced both *Last Night* and *The Red Violin*, disputed the notion that the awards were skewed. "To me, the Genies are fair," he says. "We have played across the country. *The Red Violin*, which cost \$14 million, has crossed \$3 million at the domestic box office alone, more than Atom Egoyan's Oscar-nominated *The Sweet Hereafter*. And *Last*



Oh and McKellar: she was best actress, he was the top new director

*Night*, which cost just \$2 million, has made a respectable \$400,000 in Canada—more than *Wagtails*, one of the year's most acclaimed American films. While McKellar readily notes that *Last Night* opened more bigger in Athens than in Toronto, he says, "We should stop haranguing people about not going to Canadian movies. Sure, people want that big breakthrough film that they are going... well, to some extent."

## Why Mel made that final cut

In *Payback*, Mel Gibson outfits up his image to play a slick, a lone life, avenge who cuts a homicidal switch through the underworld to get back his share of some stolen loot. Flanked by three femmes fatales—Canada's Deborah Kara Unger (*Crash*) as his wife, Maria Bello (*E.T.*) as his bodyguard and Lela Lee (*City Menace*) as a deadly prostitute—Gibson plays his toughest character to date. But he was also tough on the



Gibson: 'people trust you'

movie's writer-director Brian Koppelman. After Koppelman completed *Payback*, Gibson—whose company, Icon Productions, produced and hired another director and writer to rewrite and reshoot a quarter of the scenes. "I hear all these reports that I fired the director," Gibson told *Maclean's* last week during a publicity blitz that seemed designed for damage control. "He was not fired. I begged him to do the rewrites and then shoot them. He opted not to because he felt he was

compromising his artistic integrity."

Whether the director jumped or was pushed, it was a case of an established star outstriking a novice. Koppelman—who was an Oscar for co-writing 1997's *L.A. Confidential*—was directing for the first time. "He had three cuts at it," says Gibson, the Oscar-winning director of *Braveheart* (1995). "I had final cut. And you don't get final cut because you're a star. You get it because people trust you." Meanwhile, Gibson's company is also producing Canadian director Atom Egoyan's new movie, *Johnny's Journey*, the tale of an Irish country girl who falls into a trap set by a British psychopath. Does Egoyan have final cut? Gibson pauses. "Yes, I believe he does." Atom, watch your back.

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# Goodbye to the Gardens



Maple Leaf Gardens is going the way of all old National Hockey League arenas in the 1990s. The Gardens will host its final NHL game this week, after which hockey's Maple Leafs will join the National Basketball Association Toronto Raptors at the gleaming, \$265-million Air Canada Centre farther downtown. Like other modern arenas, the Leafs' new home will be larger, more comfortable and produce bigger revenues for both teams' owners. But the Gardens holds such an allure among hockey fans that scalpers were getting \$5,000 for a pair of choice seats last week. Longtime Maclean's columnist Trent Frayne, who covered his first Leaf game in 1962, doubts the Air Canada Centre will have the same impact on the country as the old shrine on Carlton Street.

BY TRENT FRAYNE

Once, Maple Leaf Gardens was the fastest, slickest, cleanest hockey arena on God's crowded football, but that was during a 30-year period that ended when greed, still the greatest blight in pro sports, took over the elegant premises in late November, 1961. Beginning there, it kept on growing and where it will stop, who knows?

Maple Leaf Gardens was transformed from practically a cathedral into a cash cow when Connie Smythe, whose drive put it built in 1931, turned over his shares three decades later to three men—in son Stafford, Stafford's buddy Harold Ballard, and a third of them, John Bassett. Profits and ever more profits became the new trio's goal. New seats were squeezed into odd spaces, aisles were shrunk, and even two whole new sections were improbably hung against end walls where once



had loomed a platform for a giant size organ and a towering plume of flames in the chandelier, about 3,000 seats were added.

Nowadays, a glitzy new ice palace has risen in Toronto festooned with luxury boxes, the rarest recreation rooms currently the brightest glens in the acquisitive eyes of big-sports franchise owners. When the Gardens hosts its last NHL game on Feb. 12, it will become... what? Try a practice facility for the Maple Leafs, a home rink for an ignored junior hockey team, and even the resurrection of lost hockey (see January).

Meanwhile, the old body just stands there, still a case, imposing pile of what the building contractors used in 1931: 750,000 yellow bricks. But inside, the Gardens resembles an



overweight boxer, all incandescent lighting and blinking neon and flashy ads. The building can't be dismantled because in 1990 it was declared a historical one under the Ontario Heritage Act by the Toronto city council. Nobody can tear it down or alter it substantially without the council's approval.

Way back when, Connie Smythe made a good choice of architects, the Montreal firm Ross and Macdonald, which had designed Toronto's Royal York Hotel and Union Station. Then time, the firm used an advanced cantilever form and designed an open, platform structure that climbed 25 stories from sea level to vaulted roof. The scales were good, and the 12,500 seats were roomy enough for the widest horde.

Seating was divided into four sections, colored red, blue, green and grey, and for hockey fans the price, by today's mind-boggling standards, was not bad. The red boxes and lower seats cost \$2 each, the blues were \$2.50, the greens \$1.75 and the greys 90 cents. (By 1991, reds and boxes, painted a similarly colour called gold, cost \$12 each. The old blue sections, now red, cost \$20 per seat, the green \$10, and the new-kind section, still grey, cost \$25 to \$30.)



The Leafs and Bruins in 1964; Smythe with Princess Elizabeth in 1951 (opposite); Hewitt (below left)

the story unfolds unblinkered by poets, fans had an unobstructed view of hockey or anything else Smythe put before them.

Such as Sunday like racing featuring Victoria's celebrated red-headed Terdy Peden, the fastest man on two wheels, Jack Kruger's scandalous pro tennis revealing Gorgeous Gussie Martin, and the revolutionary ice-arena painter, the Sadler's Wells ballet with the madhouse dance Margie Foyelke, and an annual work-long visit by the Metropolitan Opera's full company. Also, the history of pro wrestling regularly lasted 200,000 spectators a year.

In 1954, Winston Churchill came to the Gardens while on a lecture tour and so did Tim Buck, leader of the Canadian Communist Party, who arrived direct from prison that same year to stand on a stage belted with red ornaments. The evangelist Billy Graham too: revised meetings there, Robert Starfield became Conservative leader there, the Beatles and Elvis Presley played there, Maria Callas sang there, and also Phil Robertson, Jean Harkiss, a

sort of pre-Marxist Marilyn Monroe, played in a revue there. Smythe tried to increase but it didn't work. One night he took a Gardens ice arena game, including the Montreal Maroons, sports columnist Ted Reeve, who played for the Maroons, was asked by a teammate how the crowd looked. Reeve, a Toronto native, poked his head out the dressing room door and reported: "Fine. He just lit a cigar."

For Smythe, cleanliness was assuredly godliness. Two painters were on the job year-round, splashing hundreds of gallons on the seats and walls. Every day all winter, 300 workers cleaned the interior with vacuum cleaners, mops, brooms, brushes and dust cloths. Smythe believed the boxes ought to be occupied by people dressed for the sort of evening they would enjoy at the opera or theatre. Women often wore mink wraps over fur-trimmed gowns and on occasion showed up in tuxedos. One early winter, Smythe sent a note to subscribers noting that the quality of recent attire seemed slightly below par.

Of all the moves Smythe made that brought attention to the Gardens, nothing compared with his decision to hire Foster Hewitt as the Maple Leafs' hockey broadcaster. With that voice of his, that unique, square style, Hewitt turned the Gardens into a tourist attraction as revered as any building in Canada. Club members used to throw out of their berths on the trans-continental train heading into Toronto's Union Station from the West at 7 a.m., and the first thing they'd ask, emerging onto Front Street and peering up the Royal York Hotel, was "Say, how far is it to Maple Leaf Gardens?"

Those all who grew up on the Prairies listening to the Hewitt voice on Saturday nights will never forget him cussing on the air and grunting as "Hello Canada, and hockey fans in the United States and Newfoundland," he'd say in his measured way of his. "The score at the end of the first period is..."

And then he'd tell us, the millions of us spread right across the country, brought together in living rooms and kitchens and bedrooms and cars on lonely dark lanes and in small snow-packed towns, and in big, brightly lit cities from one ocean to the other, all of us in our mind's eye watching the heroic games on the ice below.

That was so long ago that the game was already a half-hour old before the broadcast came on, long before television.

Unlike the new guys who seem nowadays to prefer broadcast hockey in sports, Hewitt worked alone. He didn't try to give voice to every goal and each scramble and every push and shove, but, instead, to describe the essence and the significance. His voice floated on the crowd's roar, like a bird, it maddened it.

And always there was a sense of impending excitement. That's another thing gone from the famous old pile of 750,000 yellow bricks, that unique sense of impending excitement that Hewitt sent out at night from Smythe's sleepless box. But that was a long time ago and now they are gone. All of them. All gone. □

# Saying no to the IOC

## Tough drug-testing proposals get watered down

**K**ayaker Ron Crithlow paddled in three Olympics for Canada, but he never made it to an Olympic podium until last week in Sarajevo. There were no medals to be won—Crithlow was instead representing Canadian athletes at the International Olympic Committee's World Conference on Doping in Lausanne. But the 29-year-old from Nepesin, Ont., now in his final year at Harvard medical school, nevertheless won the attention of the 600 athletes, politicians and IOC members who gathered in the wood-paneled Bernese Convention Hall, including the man presiding over the head table, IOC boss Juan Antonio Samaranch. Articulate and impassioned, Crithlow argued that the Salt Lake City bribery scandal had stripped the IOC of the moral authority needed to administer a proposed international doping commission. If the IOC goes ahead with a plan that doesn't address athletes' concerns, he added, "the cynicism, the skepticism and the mistrust will grow." Those comments drew roaring applause from athletes and many other delegates—few others had spoken so plainly in front of Samaranch.

"Maybe the people involved are used to the political arena," Crithlow told *Marathon's*. "In my athletic and my honesty, I start to break the rules."

It was a grim work for Samaranch. The last international doping conference was convened in hopes of getting the world's sports federations to agree to establish a new anti-doping agency with standardized testing procedures and a minimum two-year ban for athletes caught using performance-enhancing drugs. By the conference's end, however, delegates only agreed to a watered-down proposal because the powerful soccer and cycling lobbies refused to accept two-year bans. That, in turn, caused Canada and most European nations to withhold their support. As well, several non-IOC delegates to the conference questioned the IOC's ability to control the new agency, saying it should be run independently of any sport bodies.



An unhappy Samaranch: a call for an independent doping agency

Samaranch's position was further undercut by the latest revelations in the water-fueled scandal: last week, a Japanese newspaper revealed that Sapporo gave four IOC members \$3,000 each in its bid to host the 1998 Winter Games.

Bruford at the suggestion that they were unworthy of running a doping agency, both Samaranch and IOC vice-president Richard Pound shot back at American critics. It was U.S. authorities, they pointed out, who last year ousted sprinter Dennis Mitchell's positive drug test by blaming high testosterone levels on an excessive amount of food and beer the night before the test. And Pound questioned how a country that adored baseball slugger Mark McGwire, who openly used the steroid androstenedione on his way to a record 70-home-run season, could suddenly be so hot-on-fire. The further away Americans are from the Olympic movement, Pound said, the

less they care about doping in sports. "All of a sudden you are in Mark McGwire-land," he added. "and this is a national hero, all scaped up."

Pound, a Montreal tax lawyer who headed the IOC's ammonia investigation into the Salt Lake bid, was himself the target of criticism that suggested that all senior Olympic members should step down in the wake of the scandal. "It's impossible for the IOC to bring about the necessary reforms without a whole new leadership," said Norman Seagram, a member of Toronto's bid committee for the 1996 Summer Games. He added: "The arrangement of Mr. Samaranch proposing that has new doping committee report to him—they don't get it."

To date, 13 IOC members have been implicated in the Salt Lake scandal. Four have already stepped down, five have been asked for their resignations and four others are still under investigation. The inquiry into other bids, which may turn up many more incidents of wrongdoing, will be conducted by the IOC's newly formed ethics panel composed mainly of outside legal authorities, Pound says.

There is no shortage of allegations. A volunteer on the Falun, Sweden, committee had dug for the 1992 Winter Games accused an IOC member of sexually assaulting one of the committee's hostesses and demanding sex from two other hostesses in exchange for his vote. Another IOC member allegedly tried to extort \$20,000 from the Manchester, England, bid committee for the 1996

Games by fraudulently claiming his wife's jewelry had been stolen from their hotel room and demanding compensation. When contacted by *Marathon's* last week, the alleged offenders in both cases denied any wrongdoing and claimed no one ever investigated the charges. IOC officials say there were no investigations because neither the Manchester nor Falun bid committees named names.

Back in Lausanne, Crithlow hoped his strong comments helped promote a truly independent drug agency for sports. "Whether anything will be done about it," he said, "at least it's on the record." As for the IOC, he said he hopes the reform prompted by the scandal will, someday, regulate the Olympic torch, the one that stands for the highest ideals. In a week in which critics turned up the heat on the IOC leadership, the keymaker was not padding alone.

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Alberta's Ian Tyson has revived the art of the pure cowboy tune

BY BRIAN BERGMAN

Think *It's a Good Life* to Alberta. Weather's good there in the fall. Got some friends that I can go to mornin' for

In one of the most famous opening lines in Canadian song, and for Ian Tyson, the man who penned *Four Strong Winds* in 1962 and rode the tune to fame as part of the folk duo, Ian & Sylvia, it became something of a prophesy in October 1970, as a time of both personal and professional turmoil, Tyson decided to abandon the music industry and his old life in Toronto to return to Alberta, where he used to ride the rodeo circuit in the 1950s. He worked for two years as a hired hand at a Pincher Creek ranch before buying his own ranch in the foothills of the Rockies, south of Calgary. It wasn't long, though, before Tyson's musical muse returned, this time with a decidedly western bent. Since

then, he has reinvented himself artistically with a series of successful albums featuring what many country music purists consider the best cowboy music ever produced in Canada—or anywhere else for that matter.

The latest installment in that effort, *Last Hand*, is being recorded this week by 66 members-based Stony Plain Records. The new CD finds Tyson, now 66, musing about death, religion and, of course, the rapidly fading glory of the western frontier. "This is the life I lead, this is what I know," Tyson told *Maclean's* as he dunked a grilled-cheese sandwich into a bowl of soup at a roadside diner near his ranch. "I can only write about where I'm coming from." In fact, in as era when country music is in a drought of the slick, urban stylings of the Shania Twists and Garth Brooks, Tyson's music stands out as a reminder of a more basic and thoughtful era. "He is able to lyrically describe a way of life that has almost been forgotten about," says Larry Delaney, editor of the *Ottawa*

based *Country Music News*. "That sets him apart from the cookie-cutter country music you hear so much these days. His songs actually have something to say."

So, too, does Tyson. The former folkie has adopted many of the traditional conservative values that are still widely espoused on the open range. Among other things, he supports free trade with the United States and smaller government and opposes Ottawa's move to register firearms. At the same time, though, Tyson is an outspoken environmentalist. To the chagrin of many of his fellow rural Albertans, he helped raise money for the environmental groups who led the nationwide protest against the damming of the Oldman River north of Lethbridge in the late 1980s. He continues to speak out on behalf of "green" causes, even if it means publicly criticizing Alberta Premier Ralph Klein, a personal friend. "Ralph, God bless him," says Tyson, "support him, but he's sure as hell giving pro-

jecting the environment a low profile. And I'd better leave him alone with the Tories. I don't think there's much to recommend it."

Tyson has never been comfortable running with the pack. Born in Victoria in 1933, the second child of George and Margaret Tyson, the young Ian learned to ride horses on a small farm owned by his father, an insurance salesman. As a teenager, Tyson hit the rodeo circuit, but his career was cut short when he mangled his ankle so badly that doctors had to insert three metal pins into his foot. The injury affects him to this day.

While convalescing in a Calgary hospital, Tyson learned to play the guitar, starting with Johnny Cash's *I Walk the Line*. Deeply affected by the folkie spirit of Jack Kerouac's *Beat-on-the-Beat* novel, *On the Road*, Tyson later hitchhiked to Toronto, where he hooked up with Sylvia Fricker, an aspiring folk musician from Chatham, Ont. After honing their act—heavy on English and Scottish ballads—in the folk clubs of Toronto's Kew-Forest district, Ian & Sylvia headed to New York City's Greenwich Village in 1961 at the height of the folk-music boom. After bowing them at Gerde's Folk City club, Albert Grossman—who also managed Bob Dylan and Peter, Paul & Mary—secured a recording contract for the Canadian duo. Tyson started writing his own songs, the first of them being *Four Strong Winds*. As the rapidly changing folk scene of that time, where he continues to raise cattle and breed race horses. To help support the ranch, he also started playing gigs, including regular gigs at Calgary's *Blacksmiths Club*. It was there he met his current wife, Twyla, then a waitress and 27

As a hot new artist, Ian & Sylvia burned brightly, but briefly: the British Invasion, led by the Beatles, spelled the beginning of the end for folk phenomenon. As a couple, they survived a while longer. They married in 1964 and bought a house in Toronto's tiny Rosedale neighbourhood. The following year, their only child, Clay, was born (Now 38, Clay is pursuing his own career as a singer/songwriter in Toronto). Over the years, though, their personal and professional differences deepened. Sylvia wanted to be home more, raising their young son, Ian pined for the road and spent so much time as possible out at the ranch raising cattle. The couple divorced in 1973.

After a brief but unsuccessful stab at composing Nashville, Tyson decided he had had enough of both the music business and Toronto. In 1978, he sold the Ontario ranch and headed west. As he recounts in his 1994 autobiography, *I Never Sold the Saddle*, he thought he was through with songwriting and performing—and he couldn't leave cowboy land. Tyson describes waking up one morning shortly after heading in the foothills country and staring at the snow-covered Rockies. "Screw it," he remembers thinking. "I'd either starve here than live in Toronto."

As it turned out, he wasn't forced to choose. In 1979, Neil Young recorded a new cover version of *Four Strong Winds*; the resulting royalties allowed Tyson to put a down payment on his own ranch, where he continues to raise cattle and breed race horses. To help support the ranch, he also started playing gigs, including regular gigs at Calgary's *Blacksmiths Club*. It was there he met his current wife, Twyla, then a waitress and 27

years his junior. Today Twyla, 38, helps tend the ranch along with the Tyson 13-year-old daughter, Aashia Rose, whom her father proudly describes as "an extraordinarily good cowgirl."

Shortly after returning to Alberta, Tyson joined his friend, photographer Kurt Markus, on some long-distance horse rides into Nevada and other parts of the American western plains. "What he saw there," says Tyson, "just blew my eye"—unspoiled ranchlands that still looked much as they must have a century before Tyson began to realize that his spiritual horse stretched from Grande Prairie north to the Red Grande. "That's my turf," he chuckles, "and it's a big turf."

In addition to Tyson's own music, there's something of a scholar on the changing face of the West, reading every book he could on the subject. When he picked up the guitar again, the music reflected his new preoccupations. His breakthrough album, 1989's *Cowboyography*, sparked with tales of chinook Indians blowing off the British, cowboys, of cowboy outlawism on the run of making love on a horse in a rug. Recorded in Calgary for a paltry \$37,000, *Cowboyography* went on to become Tyson's most popular album of all time, earning platinum status in Canada (breaking sales of more than 100,000).

In successive albums, including *I Outgrow the Blues* (1989), *And Shoot Them Down* (1991), and *Righteous Justice of Rose* (1994), Tyson has almost single-handedly revived the tradition of cowboy music—a mixture of mournful and joyful ballads about brother life that reached the south of its popularity in the 1930s with "the singing cowboy," Gene Autry. Tyson continues the effort with *Last Hand*, even while adding some sensitive ballads. Reflecting a personal loneliness in his life and classical music, he punctuates several of the songs with sax and cello riffs. And as belies someone who just became a senior citizen, utterances of anxiety can be heard on tunes like *After Memorandum of Menus*, with its lyrics, "Time like money just disappears on me leaves where it goes we spend it so recklessly when we've got nothing but time."

Perhaps the most curious cut on the new CD is Tyson's cover version of the Hollywood chestnut, *Over the Rainbow*, which Harold Arlen and E. Y. Harburg originally wrote for Judy Garland in the 1939 movie, *The Wizard of Oz*. But even enough, in Tyson's hands, it sounds like wet weather poured to the open plains, where the potential for record and posterity is as endless as the horizon: "Somewhere over the rainbow/you see blue/And the dreams that you close to dream/Really do come true."

Ian Tyson is living his cowboy dream. And through his music, it is there for all to share. □



Tyson at his ranch, nightly and day long

# Allan Fotheringham

## Here they come again—storming Fortress Ontario

**A**s Premier Manning and Jeanette Clark strolled towards Feb 20 in Ottawa, a grand tradition in this country is reaffirmed. As Manning and his Reform hand insist that Clark and his party are the last bastion of the United-Right conference and, Joe says, no, it is all history re-enacted.

The great Canadian political game is coalition. Merge. Split. Merge. Always fighting. Always trying to get together.

And always with one purpose in mind. To storm the battlements of Central Canada. Otherwise known as the Family Compact. Fortress Ontario controls Ottawa and always there are the battered barbarians outside the gates, screaming and pleading to be let in.

The Alberta leaders had their own party that was going to change Ottawa forever and reform Parliament. That failed.

Montreal premier John Boschen thought he had the answer. He would accept the leadership of the Conservative party only if they added on the name of his Progressives. And so we had the most successful political label of all time—the Progressive Conservatives, a contradiction in terms, something like the Black/White party Boschen failed.

An equally awful miscalculation, the Co-operative Commonwealth Federation, born in the West, came upon us in Montreal and so we had a great idea. The CCF would merge with the labour unions to create the NDP, which surely would conquer the battlements of Ottawa. That failed.

Assailing Ottawa from the opposite direction, Brian Mulroney did succeed with a grand coalition. He cleverly put together an amalgam of the struggling scraps of the Conservatives in Quebec with remnants of the Union National and a bunch of closet separatists (one of whom had the name of Lucien Bouchard).

It worked, at first. Mulroney being the first Terry since Sir John A. meant it was successive conservative majority governments. But in the end the expediency destroyed harmony. The operation was a success, but the patient died.

Coalitions are a storied tradition in British Columbia, which has



never had any ambition—unlike the rest of Western Canada—but just wants to be left alone.

The strange prospect of this in recent years was an engine by name of Major Douglas with a poorly crewed called Social Credit, which was picked up in Alberta by William Aberhart and Tim Leeson Manning, father of the current Reform leader.

As the Secedists ruled for what seemed like centuries, one person in neighbouring British Columbia was watching. It was W. A. C. Bennett, a stubborn stockkeeper/legislator from Kelowna. Victoria was ruled by a coalition, cobbled together by the Liberals and the Conservatives who had been huddled to death by the dreaded socialists who had been kept from office only by a dubious ruling by the B.C. lieutenant-governor.

It was generally agreed that the Victoria coalition government took its orders from a cabal seated at one lunchtime table at the Vancouver Club. Wacky talked, took up the Social Credit name, if not the philosophy, in 1952 and ruled for 30 years.

After a three-year interregnum under the socialists, his son Mike Wie had the reins for another decade. Bill Bennett survived by avoiding the Liberals, giving force of their five M.L.A.s cabinet seats in return for crossing the floor. One of them, Garth Gordon, is still being rewarded. After a stint as B.C. minister in London, he is now the province's lieutenant-governor.

One Galt who refused to jump, Gordon Gibson was such a dyed-in-the-wool loyalist that he was the first Ontario aide to jump-start the Pierre Trudeau leadership triangle and one of the few present at the secret wedding to Margaret. Today he writes a column for The Globe and Mail and lectures Ottawa and the Liberals so much that, while not signing a Reform membership card, supports them fervently.

Such are the shifting sands of Canadian politics that even the socialists—always the slunk at the garden party—have now decided the only way to go in the coalition route. Premier Glen Clark in Victoria, faced with polls that put his NDP in the Dumpster, has selected Gordon Gibson, the now wild head of the stupidly named Progressive Democratic Alliance, to become an instant socialist and Clark's current cabinet minister.

Since Wilson's party was a rising 10 per cent in the polls, the playoffs now held that Clark may be saved after all. Coalition, as Canadian as "Yo!"

So Premier and Jeanette Clark fight the daily battle via the head lanes on who said who not in going to show up at the Ottawa Shootout at the No-Gor-Corral. Both of them know the real problem: Fortress Ontario, which has put 101 Liberals and 318 M.P.s in Ottawa while directly putting a Terry government in Quebec's Park.

Most Ontarians suspect, as Dallas Culp says, that the Reformers perform best under a full moon. Fortress Ontario remains the only province in Canada that has never had a Liberal government.



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